Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

Distr.: General
17 April 2017

Original: English

Annual session 2017
30 May to 9 June, 2017, New York
Item 10 of the provisional agenda
UNFPA – Annual report of the Executive Director

United Nations Population Fund

Progress made in implementing the UNFPA strategic plan, 2014-2017

Report of the Executive Director

Summary

This report analyses the progress made in achieving the results of the UNFPA strategic plan, 2014-2017. The report also addresses progress in implementing General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, as requested in Economic and Social Council resolution 2013/05.

UNFPA has taken stock of the challenges encountered and the lessons learned in implementing its strategic plan. This report demonstrates that UNFPA has achieved the results it set out to achieve during the first three years of the strategic plan (2014-2016). The annexes to this report, available on the UNFPA Executive Board web page, provide detailed analyses and information on the performance of UNFPA.

This report should be read in conjunction with the statistical and financial review, 2016 (DP/FPA/2017/4 (Part I) Add.1), which provides the details of budgetary expenditures.

Elements of a decision are contained in section V of the report.

Please recycle

Contents

I. Introduction 3
II. Recent developments and emerging trends 3
III. Progress and challenges 5
A. Summary of key results and challenges 5
B. Detailed results 7
IV. Organizational effectiveness and efficiency 17
V. Elements of a decision 20

ANNEXES

The following annexes to this report are available on the UNFPA Executive Board website

Annex 1. Scorecard and indicator updates, 2016
Annex 2. Country results and case studies to illustrate the theory of change
Annex 3. Implementation of the global and regional interventions, 2016
Annex 4. Humanitarian action and resilience-building update, 2016
Annex 5. Implementation of the quadrennial comprehensive policy review, 2016
Annex 6. Data supplement
Annex 7. Supplementary reports

I. Introduction

1. In 2016, UNFPA exhibited strong performance in its work to attain the overall goal of its strategic plan, 2014-2017: achieve universal access to sexual and reproductive health, realize reproductive rights, and reduce maternal mortality to accelerate progress on the agenda of the International Conference on Population and Development, in order to improve the lives of women, adolescents and youth. UNFPA was also well on track to attain most of the targets of the strategic plan.

2. This report analyses the cumulative performance of UNFPA through 2016 in achieving the results of the strategic plan, 2014-2017. It also presents the progress achieved in implementing General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system (hereafter referred to as the quadrennial comprehensive policy review). The report also summarizes the contributions of UNFPA global and regional interventions in achieving the results of the strategic plan (see annex 3), and details the challenges and lessons learned during 2014 to 2016.

3. The report consists of the following sections: (a) an introduction (section I); (b) recent developments and emerging trends that characterized the penultimate year of the strategic plan (section II); (c) progress made in achieving the results of the strategic plan and the challenges encountered (section III); (d) organizational effectiveness and efficiency (section IV) and (e) elements of a decision (section V).

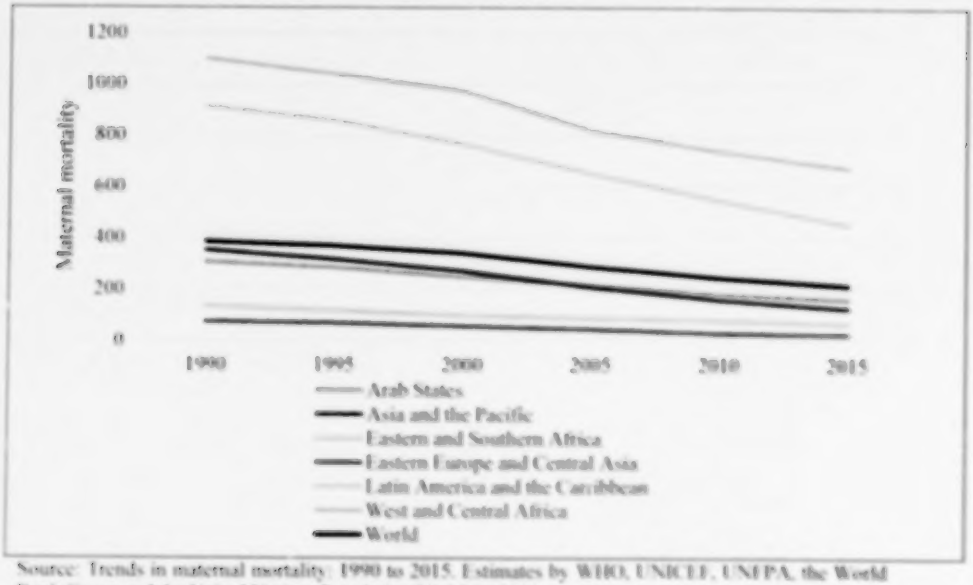
II. Recent developments and emerging trends

4. In 2016, the Sustainable Development Goals of the 2030 Agenda for Sustainable Development officially came into force. The 2030 Agenda for Sustainable Development reaffirms the recognition in the Programme of Action of the International Conference on Population and Development that human beings must be at the centre of sustainable development, especially women, young people and people in vulnerable situations. The Agenda further affirms that human rights, dignity and inclusiveness must be central to any global framework of sustainable development.

5. The 2030 Agenda for Sustainable Development builds on the Millennium Development Goals – the global framework that guided development work through 2015. The international community made notable achievements under this framework, but vital work remained.

6. Extreme poverty was reduced by half and fell to below 10 per cent, yet approximately 800 million people still live in extreme poverty. Southern Asia and sub-Saharan Africa account for about 80 per cent of this figure. Maternal mortality was reduced by 44 per cent, yet approximately 830 women die each day from preventable maternal death causes. Almost all maternal deaths (99 per cent) occur in developing countries. More than half of these deaths occur in sub-Saharan Africa, and almost one third occur in South Asia. More than half of maternal deaths occur in fragile and humanitarian settings. The number of new HIV infections dropped from 3.5 million in 2000 to 2.1 million in 2013; Eastern and Southern Africa accounted for more than half of these infections.

Figure 1: Maternal mortality trends, by UNFPA geographical region



Source: Trends in maternal mortality: 1990 to 2015. Estimates by WHO, UNICEF, UNFPA, the World Bank Group and the United Nations Population Division, 2015

7. Harmful practices were reduced, though slowly and not everywhere. The proportion of women aged 20 to 24 who reported that they were married before the age of 18 dropped from 32 per cent around 1990 to 26 per cent around 2015. However, levels of child marriage in Southern Asia and sub-Saharan Africa, 44 per cent and 37 per cent, respectively, remain unacceptably high. Gender-based violence also remains a problem. Worldwide, 35 per cent of women have experienced either physical and/or sexual intimate partner violence or non-partner sexual violence. In some regions, as many as 38 per cent of women experience intimate partner violence. Teenage pregnancy is a major concern. In 2015, it was estimated that 15.3 million adolescents would give birth; at this rate, this figure was projected to reach 19.2 million by 2035.

8. In 2015, 64 per cent of married or in-union women of reproductive age worldwide were using some form of contraception. However, contraceptive use was much lower in the least developed countries (40 per cent) and was particularly low in Africa (33 per cent).

9. In addition to these concerns, the ageing process is most advanced in high-income countries, while large youth populations exist in developing and emerging countries, in particular, in sub-Saharan Africa. Some countries in the North face labour shortages, while others in the South face youth unemployment and underemployment rates. These conditions have, in some cases, fuelled migration and threatened national, community and household stability, and limited the potential to harness the demographic dividend.

10. Humanitarian emergencies, triggered by political crises and natural disasters and exacerbated by social and economic inequalities, continued to plague the world. In 2016 alone, humanitarian emergencies affected 125.3 million people, representing an increase of 81 per cent compared to 2014. The United Nations notes that about 1.2 million people – 80 per cent of whom are women and children – have fled South Sudan, making it the largest refugee movement in Africa.

11. The development landscape continued to experience economic constraints and place increasing pressure on resources, following a slow recovery from the global economic recession of 2007 to 2009. In 2016, the world economy expanded by just 2.2 per cent, the slowest rate of growth since the recession. According to the Institute for Health Metrics and

Evaluation, global funding for maternal health declined from $3.8 billion in 2014 to $3.6 billion in 2015.

UNFPA response to the global context

12. In response to the global context, UNFPA ensured that it remained on course to increase access to sexual and reproductive health and reproductive rights, especially for women and young people.

13. UNFPA strengthened its focus on results and on strategies that would have the greatest impact. It followed the recommendations of the quadrennial comprehensive policy review, and those of the UNFPA business model, which differentiates modes of engagement depending on the country context. In countries with fewer needs and a greater ability to finance their own interventions, UNFPA programmes focused on advocacy, policy dialogue and advice, not service delivery. In countries with the highest needs and the lowest ability to finance their own interventions, UNFPA offered a full package of interventions, including service delivery.

14. UNFPA expanded its austerity measures, which it first introduced in 2015, to adapt to the decrease in resources. In 2016, UNFPA froze 76 staff positions at headquarters. UNFPA also intensified the use of partnerships to work jointly to achieve the goals of the Programme of Action of the International Conference on Population and Development and the results of the strategic plan.

III. Progress and challenges

A. Summary of key results and challenges

15. UNFPA has assessed its cumulative progress in achieving the results of the strategic plan, using two metrics: (a) trends of the outcome indicators of the strategic plan; and (b) achievement of the outputs of the strategic plan, including the outputs of the global and regional interventions.

16. UNFPA made steady progress in achieving the results of the strategic plan. Trends in the 22 outcome-level indicators showed that 10 of the targets moved in the right direction, as projected by the strategic plan. However, seven indicators showed mixed trends; three lagged behind; and two indicators did not change.

17. UNFPA contributed to the outcome trends by achieving the outputs of the strategic plan. Figure 2 highlights some of the key results that have emerged by achieving those outputs.

Figure 2: Key results achieved by UNFPA, 2014-2016

93,000 maternal deaths averted*
113 million couples protected for one year from unwanted pregnancies*
35 million unintended pregnancies prevented*
11 million unsafe abortions prevented*
54 million users of family planning*
39,217 fistula repair surgeries supported**
8.2 million pregnancies and deliveries assisted by 23,500 UNFPA-supported midwives****
33.4 million adolescents provided with integrated sexual and reproductive health services**
272,000 girls saved from female genital mutilation***
$884 million direct health-care costs avoided by providing contraceptives*
Over 16 million women and girls in humanitarian crises reached with sexual and reproductive health services and services to prevent gender-based violence**
903 maternity tents or homes operationalized in humanitarian settings****
1,232 mobile clinics provided in humanitarian settings***
915 safe spaces supported in humanitarian settings***
188,498 new HIV infections and 8.3 million sexually transmitted infections prevented through provision of 16.5 million female and 1,024 million male condoms****

* Estimates using the Marie Stopes International Impact 2 and the United States Agency for International Development models. Potential results are based on the family-planning commodities procured.

** UNFPA country reports, 2014-2016

*** UNFPA country reports, 2015-2016

**** UNFPA estimates

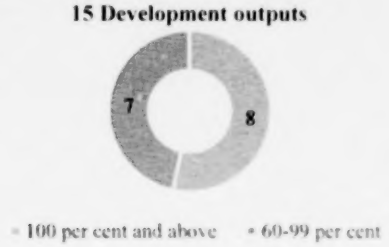
18. The current UNFPA strategic plan has 15 development outputs. Each output includes one or more indicators and, therefore, one or more annual indicator targets. UNFPA is accountable for achieving the annual targets.

19. The achievement of an output is assessed by averaging the achievement rates of the indicator targets in an output: an average of 100 per cent and above is considered as having fully achieved an output; 99 - 60 per cent is partial achievement. An output is considered as not having been achieved if the average is below 60 per cent.

20. In 2016, of the 15 development outputs, UNFPA fully achieved eight and partially achieved seven. Unlike 2015, there were no outputs in the not-achieved category, as shown in figure 3. Under organizational effectiveness and efficiency, UNFPA fully achieved two outputs and partially achieved one output. Based on 2016 data, it is projected that UNFPA will fully achieve 70 per cent of the strategic plan end-line output targets (see annex 1 for the scorecard and indicator updates, 2016).

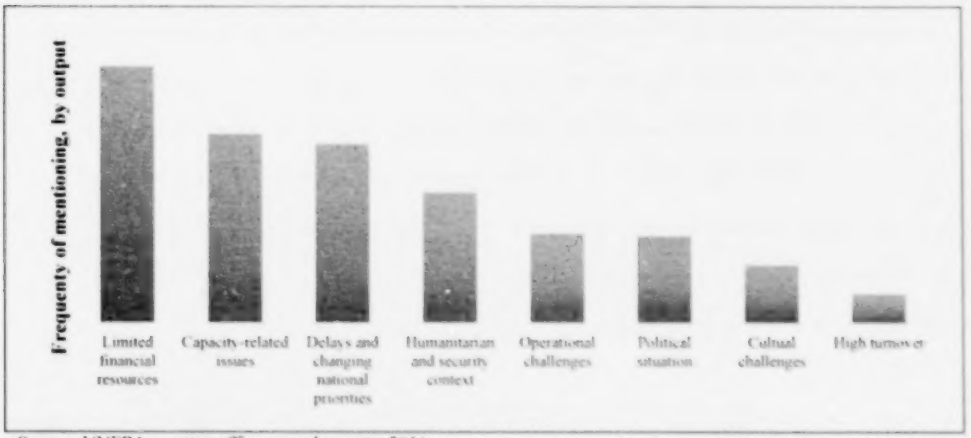
21. In 2016, UNFPA committed itself to achieving 40 global and regional intervention outputs. Of these, UNFPA fully achieved 29 outputs; 9 outputs were achieved at 60-99 per cent; and two outputs were achieved at less than 60 per cent (see annex 3: implementation of global and regional interventions).

Figure 3: Achievement of strategic plan outputs, as of 2016



22. The main reasons for not fully achieving the seven outputs include: (a) limited financial resources; (b) the limited capacity of implementing partners; (c) delays and changing national priorities; and (d) the humanitarian and security situation (see figure 4). UNFPA has recognized these challenges as risk factors under the enterprise risk management process and is implementing the requisite monitoring and mitigation measures.

Figure 4: Types of challenges cited by UNFPA country offices



Source: UNFPA country office annual reports, 2016

B. Detailed results

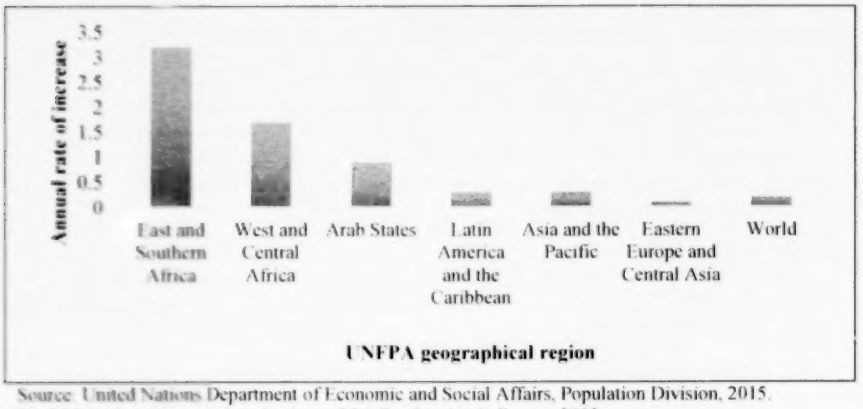
22. Outcome 1: Increased availability and use of integrated sexual and reproductive health services (including family planning, maternal health and HIV) that are gender-responsive and meet human rights standards for quality of care and equity in access.

23. The trends of the outcome indicators for increasing the availability and use of integrated sexual and reproductive health services are mixed. Outcome indicators for the availability and use of integrated sexual and reproductive health services moved in the right direction, but indicators for the use of contraceptives hardly changed since 2014. This

occurred even though indicators for the availability of contraceptives – including the absence of contraceptive stock-outs – moved in the right direction, albeit slowly.

24. The global figures for the use of contraceptives mask wide regional and country differentials that are of significance to UNFPA and its work. Compared to the minimal global increases in contraceptive use, there were significantly higher increases in sub-Saharan African regions, which include most of the focus countries of the UNFPA Supplies programme and some of the countries furthest behind in contraceptive use. Figure 5 highlights these differentials.

Figure 5: Annual rate of increase in the contraceptive prevalence rate for all methods, by region

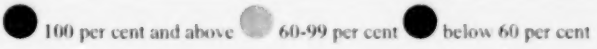


Source: United Nations Department of Economic and Social Affairs, Population Division, 2015. Model-based estimates and projections of family planning indicators 2015.

25. At the output level, UNFPA fully achieved three outputs, and partially achieved two of the five outputs, as shown in table 1.

Table 1: Scorecard for outcome 1

Output	Performance by 2015	Performance by 2016
Increased national capacity to:		
1. Deliver integrated sexual and reproductive health services	●	●
2. Strengthen enabling environments, increase the demand for and supply of modern contraceptives, and improve the quality of family planning services	●	●
3. Deliver comprehensive maternal health services	●	●
4. Deliver HIV programmes	●	●
5. Provide sexual and reproductive health services in humanitarian settings	●	●
Total outcome expenditure, in millions of dollars	$1,001.5	$1,472.6
Expenditure with gender equality as a significant or principal objective, in millions of dollars	$559.1	$869.7



26. At the indicator level, notable achievements include the following: (a) 118 countries have guidelines and protocols for the standard delivery of sexual and reproductive health services for adolescents and youth; (b) 81 countries have midwifery policies in line with international standards; (c) 41 countries have maternal death surveillance and response systems; (d) 102 countries have a logistics management information system to forecast and monitor commodities; and (e) 67 countries have the capacity to implement the minimum initial service package for sexual and reproductive health at the onset of humanitarian emergencies (see annex 1: scorecard and indicator updates, 2016, and annex 4: humanitarian action and resilience-building update, 2016).

27. The indicators that led to the partial achievement of the two outputs include the following: (a) only 47 countries, compared to the target of 51, had at least one community-based sex worker-led organization; (b) only 87 countries of the expected 101 had a costed integrated sexual and reproductive health action plan; and (c) only 59 of the targeted 86 countries reached the implementation stage of the 10-step condom programming approach.

28. UNFPA flagship programmes contributed to the increased use of sexual and reproductive health services. The annual reports of the flagship programmes indicated the following:

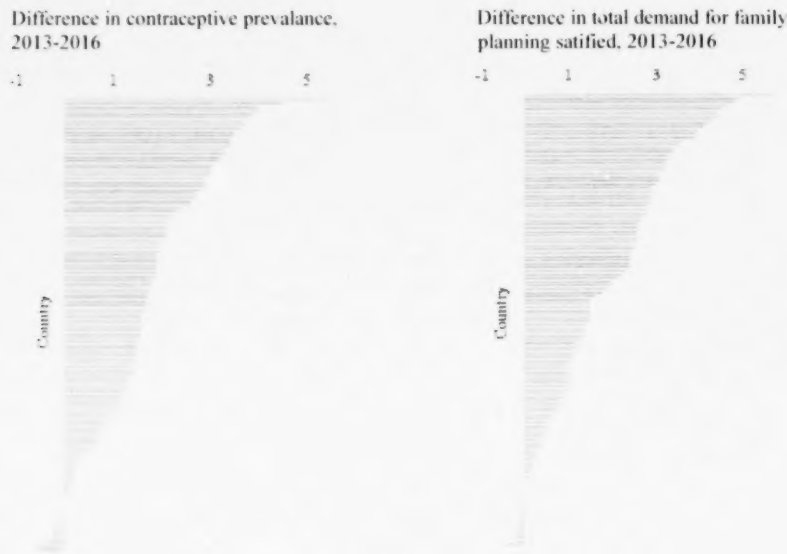
(a) The maternal health thematic fund contributed to a 14 per cent decline in the maternal mortality ratio in 39 priority countries supported by that fund since 2010. This translated into a reduction in annual maternal deaths from 223,000 in 2010 to 205,000 in 2015.

(b) UNFPA Supplies, a programme that addresses the availability and use of essential supplies for reproductive health, especially for poor and marginalized women, has contributed to increased contraceptive prevalence and total demand satisfied in 46 focus countries (see figure 6). The countries with significant increases in contraceptive prevalence and in total demand for family planning satisfied are predominantly the focus countries supported by the UNFPA Supplies programme.

(c) In 2016, its first year of implementation, the flagship programme to prevent maternal deaths in East and Southern Africa contributed to averting an estimated 996 maternal deaths and prevented 358,000 unintended pregnancies in the region.

(d) The UNFPA-led Campaign to End Fistula, a coalition of more than 90 partners, supported a new United Nations vision to end fistula within a generation. The Campaign played a significant role in producing the report of the Secretary-General on intensifying efforts to end obstetric fistula (A/71/306) and supported the adoption of General Assembly resolution 71/169 on the intensification of efforts to end obstetric fistula. As of 2016, UNFPA had supported 39,217 fistula repair surgeries.

Figure 6: Increase in contraceptive prevalence and in total demand for family planning satisfied from 2013-2016, by UNFPA Supplies focus countries versus UNFPA Supplies non-focus countries



Source: Estimates, United Nations Population Division, 2015

29. Partnerships developed under the global and regional programmes were crucial in achieving the results in this outcome area. For example:

(a) Between 2012 and its mid-point year, 2015, Family Planning 2020 – global partnership that seeks to end the unmet need for family planning and one in which UNFPA plays an important role – contributed to enabling an additional 30.2 million women and adolescent girls to use modern contraception.

(b) The evaluation of the H6 Joint Programme – a partnership between the Joint United Nations Programme on HIV/AIDS, UNFPA, the United Nations Children's Fund (UNICEF), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the World Health Organization (WHO) and the World Bank Group, that supports 10 countries in sub-Saharan Africa – concluded that the H6 Joint Programme contributed to strengthening national health systems through the provision of integrated reproductive, maternal, newborn, child and adolescent health services at national and subnational levels.

(c) The Muskoka Initiative, a partnership between UNFPA, UNICEF, UN- Women and WHO, supports the improvement of sexual and reproductive health, including maternal health, in eight francophone sub-Saharan countries. By strengthening the emergency obstetric and newborn care network in Chad, the fatality rate was reduced from 10 per cent to 2.85 per cent in programme areas. In Côte d'Ivoire, one of the eight countries under the Initiative, all 82 districts of the 19 health regions reported maternal deaths.

(d) In partnership with WHO and the International Planned Parenthood Federation, UNFPA developed an index of sexual and reproductive health and HIV linkages. The index, which has been applied in 60 countries, enables the mapping of the country status

and identifies gaps in order to inform decision-making and interventions. In Kenya, the use of the index resulted in 4,500 female sex workers and 50,000 clients benefiting from integrated sexual and reproductive health and HIV services in 2016.

30. Increases in the use of sexual and reproductive health services also benefited from UNFPA-supported innovations. In Ethiopia and in the United Republic of Tanzania, over 2,500 midwives were trained in life-saving skills at 22 remote sites by using solar-charged portable learning devices. More than 150,000 young people benefited from UNFPA-supported mobile health clinics in Myanmar, Nigeria, South Africa and Uganda. In Togo, the use of a geographic information system supported the development of the national emergency obstetric and newborn care facility network. In Mongolia, the use of a nationwide telemedicine system increased rural women's access to maternal health consultations.

31. Evaluations have confirmed the effectiveness of UNFPA interventions in increasing the use of sexual and reproductive health services. The evaluation of UNFPA support to family planning, 2008-2013, found that UNFPA was a leader in integrating family planning with other services; a key partner in raising the profile of and coordinating family planning efforts; at the forefront of advocating for a human rights-based approach to family planning; and played a critical role in strengthening an enabling environment for family planning. Similarly, an evaluation of UNFPA support to adolescent and youths, 2008-2015, found that UNFPA contributed to increasing the availability of sexual and reproductive health services for adolescents and young people.

32. Challenges in this outcome area include the following: (a) sociocultural barriers impede reaching women and young people with sexual and reproductive health information and services; (b) health-care providers lack the necessary training; (c) the provision of high-quality sexual and reproductive health services remains a barrier; (d) many national maternal death surveillance and response action plans do not include budgets; and (e) tracking the recruitment and deployment of newly graduated midwives is a challenge, especially where standard mechanisms for collecting such data are unavailable.

33. UNFPA learned a number of lessons: (a) strengthening health systems is an effective approach to facilitate the increased use of integrated sexual and reproductive health services; (b) community-based approaches are critical for generating demand for sexual and reproductive health services; (c) the balancing of supply and demand factors is necessary when planning integrated service delivery; (d) mainstreaming midwifery into national human resources for health workforce policies is important for training, retention and deployment; and (e) safe spaces for women and girls and mobile medical teams are effective ways to reach displaced, uprooted and crisis-affected girls.

34. UNFPA is integrating these lessons in the development of its strategic plan, 2018-2021.

Outcome 2: Increased priority on adolescents, especially on very young adolescent girls, in national development policies and programmes, particularly increased availability of comprehensive sexuality education and sexual and reproductive health services

35. Since 2014, progress has been made on numerous aspects of integrating adolescent and youth priorities into development frameworks. Youth and adolescent issues are increasingly being considered when developing national, regional or global development frameworks.

36. The prioritization of youth and adolescent issues has been evident at the global level. The updated Global Strategy for Women's, Children's and Adolescents' health, 2016-2030, addresses the uneven progress in realizing the rights and needs of adolescents. At the World Humanitarian Summit, more than 40 partners endorsed a new compact for young people in humanitarian action, under the leadership of UNFPA.

37. At the regional level, and with support from UNFPA, the African Union's Agenda 2063 prioritized investments in adolescents and youth and adopted a continental road map to harness the demographic dividend. At the beginning of 2016, following advocacy efforts by UNFPA and other stakeholders, African Union Heads of State and Government underlined their commitment to place young people at the centre of sustainable development. This

commitment is particularly important in West and Central Africa, where nearly two thirds of the population is under 24.

38. At the country level, data from UNFPA programmes indicate that the number of countries with laws and policies that enable adolescents to exercise their rights increased from 74 in 2013 to 100 in 2016. In response to the Global Strategy for Women's, Children's and Adolescents' Health, 2016-2030, and with UNFPA support, 32 governments made political commitments in 2016 to prioritize adolescent health, including improving reproductive, maternal, newborn and child health.

39. UNFPA made steady progress towards its strategic plan outputs for outcome 2. Although none of the three outputs were fully achieved, and 2016 performance is slightly below that of 2015, each output was achieved by at least 90 per cent (see table 2).

40. The reason the outputs were not fully achieved can be traced to three indicator targets, which were narrowly missed. In output 6, the number of countries with participatory platforms that advocate for increased investments in marginalized adolescents and youth, within development and health policies and programmes, increased from 53 in 2013 to 94 in 2016, missing the target of 105. In output 7, the number of countries with comprehensive sexuality education that were aligned to international standards increased from 39 in 2013 to 81 in 2016, missing the target of 85. In output 8, the number of countries that have health, social and economic asset-building programmes that reach adolescent girls at risk of child marriage increased from 29 in 2013 to 55 in 2016, missing the target of 60.

41. Financial constraints were the main reason these outputs (especially output 8) could not be fully achieved. Capacity challenges were also cited as one of the reasons output 7 on comprehensive sexuality education could not be fully achieved.

Table 2: Scorecard for outcome 2

Output	Performance by 2015	Performance by 2016
Increased national capacity to:		
6. Conduct evidence-based advocacy for incorporating adolescents and youth	●	●
7. Design and implement comprehensive sexuality education programmes	●	●
8. Design and implement comprehensive programmes to reach marginalized girls	●	●
Total outcome expenditure, in millions of dollars	$121	$190
Expenditure with gender equality as a significant or principal objective, in millions of dollars	$69.6	$115.7

● 100 per cent and above ● 60-99 per cent ● below 60 per cent

42. UNFPA partnerships and platforms at global, regional and country levels were effective in prioritizing adolescent and youth issues in development frameworks. Under the UNICEF–UNFPA Global Programme to Accelerate Action to End Child Marriage – which was implemented in 15 priority countries – Burkina Faso, Mozambique, Uganda and Zambia developed national strategies and action plans to end child marriage. In 2016, more than 65,000 girls benefited from sexual and reproductive health knowledge and services provided under this programme.

43. In 2016, UNFPA, in collaboration with a network of young people with disabilities from all regions, launched the WE DECIDE youth and disability initiative to protect the rights of marginalized populations, in particular persons living with disabilities.

44. In the Asia and the Pacific region, a youth-led organization founded with UNFPA support, Youth LEAD, became an independent organization. This organization, which focuses on young populations at risk of or affected by HIV, is operational in 19 countries. This is testimony to a strengthened regional-level capacity to advocate for the prioritization of adolescent and youth issues in development frameworks. In East and Southern Africa, more than 811,000 out-of-school young people have benefited from sexuality education under the Safeguard Young People programme implemented by UNFPA.

45. In Liberia, youth volunteers played a key role in ending the Ebola epidemic. They were trained as contact tracers who carried out the rapid identification of potential Ebola cases and alerted the appropriate authorities.

46. UNFPA used innovation to promote youth in peacebuilding and strengthen resilience. In the Syrian Arab Republic, as a result of the UNFPA-supported youth business start-up project, implemented under the Innovation Fund, 180 internally displaced young people received employment opportunities. In addition, 1,225 youth, especially adolescent girls, benefited from this project.

47. Evidence suggests that UNFPA interventions for adolescents and youth make a difference. In countries with participatory platforms that advocated for marginalized adolescents and youth, 84 per cent of those countries have integrated such issues into national youth policies (see annex 2: country results and case studies to illustrate the theory of change). The evaluation of UNFPA support to adolescents and youth found that UNFPA is a leader in the area of adolescent sexual and reproductive health and has contributed to creating a more favourable environment for prioritizing adolescent and youth issues at global, regional and country levels.

48. UNFPA encountered several challenges in seeking to prioritize adolescent and youth issues in development plans, including: (a) the absence of performance metrics in national frameworks, making it difficult to assess progress and impact; (b) declining resources; and (c) the sensitivity in some cultures towards the sexual and reproductive health and reproductive rights of youth and adolescents, rendering these issues difficult to address.

49. The next UNFPA strategic plan will focus on: (a) strengthening national capacity in monitoring and evaluating progress; (b) addressing the impact of programmes and policies; and (c) mobilizing resources and support to protect and promote the rights of adolescents and youth, especially adolescent girls.

Outcome 3: Advanced gender equality, women's and girls' empowerment, and reproductive rights, including for the most vulnerable and marginalized women, adolescents and youth

50. Available data shows that trends in gender equality steadily progressed. The gender inequality index dropped from 0.449 in 2014 to 0.443 in 2015. The percentage of women who thought it justifiable for a husband or partner to hit his wife fell from 47 per cent in 2013 to 40 per cent in 2016. UNFPA programme data indicate that the number of countries that integrate reproductive rights into national gender equality action plans increased from 45 in 2013 to 74 in 2016.

51. UNFPA fully achieved all three outputs for outcome 3, which represented an improvement from 2015 (see table 3). At the global level, UNFPA led the design of methodologies for collecting data on Sustainable Development Goal indicators 5.6.1 and 5.6.2, which focus on women's empowerment and the legal barriers impeding access to sexual and reproductive health care. In 2016, UNFPA continued to strengthen accountability for sexual and reproductive health and rights. It supported national human rights institutions in 30 countries in carrying out national inquiries on exercising reproductive rights and the right to sexual and reproductive health. In addition, 71 countries had a functioning tracking and reporting system to monitor the implementation of reproductive rights recommendations and obligations.

52. The targets achieved in 2016 were notable. Of the countries affected by humanitarian crises, 83 per cent (target: 70 per cent) had a functional inter-agency, gender-based violence coordination body as a result of UNFPA coordination and leadership. In 29 countries (target: 19), civil society organizations implemented accountability mechanisms to address the reproductive rights of women and girls, and marginalized and key populations. Ninety countries had a gender-based violence prevention, protection and response integrated into national sexual and reproductive health programmes, exceeding the target of 84.

Table 3: Scorecard for outcome 3

Output	Performance by 2015	Performance by 2016
9. International and national protection systems for advancing reproductive rights	●	●
10. Prevent gender-based violence and harmful practices	●	●
11. Engagement of civil society organizations	●	●
Total outcome expenditure, in millions of dollars	$209.2	$318.1
Expenditure with gender equality as a significant or principal objective, in millions of dollars	$189.5	$280.9

● 100 per cent and above ● 60-99 per cent ● below 60 per cent

53. Partnerships and tools were instrumental in achieving results for this outcome. Through the UNFPA-UNICEF Joint Programme on Female Genital Mutilation, female genital mutilation was criminalized in 13 of the 17 programme priority countries. Seventy-six per cent of these countries added a budget line for the implementation of policies to prevent female genital mutilation. Between 2014 and 2016, 1.5 million girls and women benefited from protection and treatment services offered by the programme, and 5,600 communities declared the abandonment of female genital mutilation.

54. In 2016, UNFPA and UN-Women, in collaboration with WHO and the United Nations Office on Drugs and Crime, piloted the United Nations Joint Programme on Essential Services for Victims and Survivors of Violence.

55. UNFPA continued to support the engagement of men and boys to advance gender equality. UNFPA worked in 47 countries (exceeding the target of 43) with civil society organizations to support the institutionalization of programmes to engage men and boys on issues of gender equality, and to promote sexual and reproductive health and reproductive rights.

56. In Afghanistan, UNFPA supported community-based dialogue in 25 provinces to engage men and boys in advancing gender equality, and undertook similar efforts in Cambodia, South Sudan and Uganda. In Georgia, UNFPA supported a popular, innovative television programme, 'Fathers', which challenged traditional gender roles within families. The programme contributed to government recognition of these issues in its national development programme.

57. UNFPA faced numerous challenges while implementing outcome 3. Major challenges included: (a) sociocultural barriers to gender equality and the elimination of harmful practices; (b) difficulty in reaching marginalized populations; and (c) not adequately addressing the underlying structural causes of gender inequality, including those that lead to

gender-based violence. UNFPA will seek to address these challenges in the next strategic plan.

Outcome 4: Strengthened national policies and international development agendas through integration of evidence-based analysis on population dynamics and their links to sustainable development, sexual and reproductive health and reproductive rights, HIV and gender equality

58. UNFPA made modest but steady progress in 2016 in increasing the availability of high-quality population data and evidence on population dynamics to inform international and national policies and development frameworks.

59. The number of countries with at least one census of good quality in the past 10 years that was processed, analysed and disseminated following international standards and recommendations increased from 104 in 2014 to 112 in 2016. The number of countries that generated national household surveys in the past five years that could support the estimation of population and sexual and reproductive health indicators increased from 89 in 2015 to 97 in 2016. Furthermore, the number of countries that completed evaluations of strategic interventions on sexual and reproductive health and adolescent and youth increased from 66 in 2014 to 92 in 2016.

60. With regard to the use of evidence to inform policies and development frameworks, almost all national development plans approved in 2016 addressed population dynamics. For example, the Dominican Republic incorporated 38 indicators of the Montevideo Consensus on Population and Development into its 2017-2020 multi-annual national public sector plan. Other examples include: (a) the Tajikistan national development strategy, 2016-2030; (b) the 2030 sustainable development vision of Mongolia that was approved by Parliament in 2016; and (c) the Botswana national development plan 11, 2017–2023, which includes a chapter dedicated to population and development.

61. At the output level, as shown in table 4, UNFPA fully achieved the 2016 targets for two of the four strategic plan outputs. Outputs were fully achieved for: (a) strengthening national capacity for the production and dissemination of quality disaggregated data; and (b) increasing the availability of evidence through cutting-edge, in-depth analyses.

62. As of 2016, the proportion of countries that received and used technical assistance from UNFPA to make use of population data in order to support needs assessments in humanitarian settings increased from 69 in 2013 to 77 in 2016, exceeding the target of 75 per cent. The number of national statistical authorities that have the institutional capacity to analyse and use disaggregated data on adolescents and youth increased from 69 in 2013 to 103 in 2016. With support from UNFPA, all 48 least developed countries have national profiles that include demographic dividend indicators.

63. Two outputs were partially achieved, primarily because the implementation of the population situation analysis and the application of monitoring and evaluation procedures are resource-intensive exercises.

Table 4: Scorecard for outcome 4

Output	Performance by 2015	Performance by 2016
12. Strengthened national capacity for the production and dissemination of quality disaggregated data	●	●
13. Increased availability of evidence through cutting-edge in-depth analyses	●	●
14. Strengthened capacity for the formulation and implementation of rights-based policies	●	◐

15. Strengthened national capacity for using data and evidence to monitor and evaluate national policies	●	●
Total outcome expenditure, in millions of dollars	$245.3	$335.3
Expenditure with gender equality as a significant or principal objective, in millions of dollars	$87.5	$120.0

● 100 per cent and above ● 60-99 per cent ● below 60 per cent

64. UNFPA made progress in strengthening the capacity of Member States to identify populations within their respective countries that lag behind in achieving the Sustainable Development Goals. In 2016, nine country teams were trained to undertake small area estimation. In 2016, 29 countries completed at least one mapping exercise illustrating subnational inequality. The maps were made accessible to policy makers.

65. UNFPA strengthened regional capacity to assist countries in measuring and tracking progress toward the Sustainable Development Goals. By 2016, 73 countries had a plan to generate, disseminate and report on 16 UNFPA-relevant Sustainable Development Goal indicators. Sixty-three per cent of those countries included maternal mortality in their plan; 56 per cent included skilled birth attendance; and 47 per cent included the adolescent birth rate.

66. UNFPA used partnerships and innovative strategies to support the achievement of results for outcome 4.

67. In forming the regional task force on population-based Sustainable Development Goal indicators in the Arab States region, UNFPA partnered with UNDP, UNICEF and UN-Women, as well as several of the regional statistical commissions, in the capacity-strengthening workshops. In advancing the demographic dividend, UNFPA strengthened partnerships with the African Development Bank, the African Union and the Population Reference Bureau. These partnerships served to further work in the areas of: (a) national and subnational indicators on empowerment, education and employment; (b) training on national transfer accounts; and (c) national demographic dividend typologies.

68. UNFPA utilized partnerships to support census work. It supported the implementation of the 2020 census round through the development of a new UNFPA census strategy, and the establishment of the International Committee on Census Coordination, in partnership with the United Nations Statistics Division and the United States Census Bureau. In some countries, especially those with challenging terrain, partnerships made large and logistically complex census operations feasible. For example, partnerships enabled UNFPA to pay enumerators in Myanmar, where banks did not operate in all geographical areas.

69. UNFPA supported an innovative census in Lesotho, which was the first digital census in the subregion in the 2020 round of population censuses. UNFPA spearheaded a project in Afghanistan, where a census had not been undertaken since 1979, that used satellite imagery to estimate population density.

70. The evaluation of UNFPA support to population and housing census data to inform decision-making and policy formulation, released in 2016, found that UNFPA was the key convener and guarantor of census operations, and that support for the 2010 census round contributed significantly to strengthening the capacity of national statistical offices.

71. The evaluation highlighted three strengths of UNFPA: (a) the provision of high-quality technical assistance; (b) the seal of credibility that UNFPA offers to a census; and (c) a convening role. In contrast to the strong focus on and effectiveness of data production and availability, the focus on data use has been comparatively weak. It is therefore a focus of the new UNFPA census strategy for the 2020 census round. The demand-driven character of census support to national statistical authorities undermined global coordination; this has been

addressed through the establishment of the International Committee on Census Coordination. To attract more resources for the use of census data and other population data, UNFPA developed a new resource mobilization strategy to strengthen population data ecosystems.

IV. Organizational effectiveness and efficiency

72. In 2016, UNFPA continued to make progress in organizational effectiveness and efficiency. UNFPA fully achieved two outputs: (a) improved quality assurance, monitoring and evaluation; and (b) increased adaptability through innovation, partnership and communications. The output on improved mobilization, management and alignment of resources was partially achieved, mainly because targets for resource mobilization were not met.

73. To reinforce effectiveness and efficiency in the new operating environment, a constant ongoing review of business practices and programme support structures is underway at headquarters and in the field. A fresh look is taken on partnership and collaboration with the private sector. Furthermore, a comprehensive information and communication technology (ICT) transformation initiative was launched in 2016 to enhance programming quality, address systems fragmentation, and strengthen knowledge management and use of business analytics to guide decision-making and provide for increasing demands in granularity of reporting and results-resources linkages.

Table 5: Scorecard for organizational effectiveness and efficiency

Output	Performance by 2015	Performance by 2016
1. Improved quality assurance, monitoring and evaluation	●	●
2. Improved mobilization, management and alignment of resources	●	●
3. Increased adaptability through innovation, partnership and communications	●	●
Total effectiveness and efficiency expenditure in millions of dollars	$321.6	$482.9

● 100 per cent and above ● 60-99 per cent ● below 60 per cent

Output 1: Enhanced programme effectiveness by improving quality assurance, monitoring and evaluation

74. UNFPA achieved most of the 2016 targets for enhancing programme effectiveness. Targets were met for: (a) the number of country programmes rated as good; (b) country programme documents that meet quality standards; (c) the number of country programmes that duly monitored 90 per cent of programme indicators; and (d) the number of corporate and programme evaluations completed as planned.

75. Targets were also met for mainstreaming gender and ensuring the humanitarian and development continuum in programmes.

76. However, the target on actions implemented on evaluation recommendations was not met, partly because the target was overly ambitious and partly due to logistical challenges stemming from the new UNFPA tracking system.

77. UNFPA continued to strengthen its operations and programmes through, inter alia, increased coordination and harmonization with the United Nations system and the increased

use of South-South and triangular cooperation, in line with the quadrennial comprehensive policy review. UNFPA met its target on contribution to the resident coordinator system, and continued progress in using common United Nations systems and tools. In 2016, 98 per cent of UNFPA programme countries used common results-based management tools and principles. Seventy-five per cent of programme countries used the South-South cooperation modality, exceeding the 62 per cent target.

78. UNFPA played an active role in the inter-agency group that was established to harmonize strategic plan approaches among United Nations organizations developing strategic plans. It led the subgroup on harmonizing approaches to results-based management. UNFPA also contributed to the development of United Nations Development Assistance Framework guidelines, including information on the theory of change and real-time monitoring.

79. Independent evaluations have confirmed that UNFPA programmes are focused and effective.

80. The evaluation of the implementation architecture of the strategic plan, 2014-2017, as well as the midterm review, found that the goal of the strategic plan, colloquially referred to as the "bull's eye", and the four outcomes, had enhanced the focus of UNFPA programmes. The country programmes recently developed are more focused: of the 67 country programmes approved during 2014-2016, 55 (81 per cent) had fewer outputs than their predecessors.

81. Regarding effectiveness, as mentioned in the respective strategic plan outcomes above, according to the country programme evaluations conducted in 2014-2016, the majority of country programmes were found to be effective. In addition, all country programmes were found to be relevant to the country context and to the UNFPA strategic focus. A multilateral development agency review conducted in 2016 rated UNFPA as a "good" performer under the category of organizational effectiveness.

82. These improvements in quality of programming mentioned above can be traced to the introduction of stronger policies and guidelines, robust programming tools, enhanced staff capacity, and rigorous oversight and quality assurance systems. The UNFPA Programme Review Committee continued to improve the quality of country programme documents. Through training and support, staff became proficient in using the UNFPA global programming system and the strategic information system. The global programming system seeks to strengthen the management of work plans at headquarters and in field offices to plan and manage programme implementation activities. The strategic information system enables UNFPA to plan, monitor and report programme results. In 2016, 97 per cent of country offices reported receiving effective support from UNFPA regional offices.

83. Notwithstanding these improvements, UNFPA recognizes the need to invest more in: (a) promoting risk-based results planning; (b) improving quality assurance; and (c) using evidence for decision-making. To support these investments, UNFPA is providing guidance on the theory of change for country programme planning, as part of its capacity-development plan.

Output 2: Improved mobilization, management and alignment of resources through an increased focus on value for money and systematic risk management

84. At the beginning of 2016, UNFPA received indications that some resources from major donors would be redirected to emerging challenges, directly affecting the resources available to UNFPA. Moreover, the continued volatility of exchange rates of key currencies against a stronger United States dollar negatively affected UNFPA resources.

85. In 2016, the overall core and co-financing contribution revenue of UNFPA was $842 million, which was $251 million short (-23 per cent) of the 2016 strategic plan target of $1,093 million. Compared with 2015, the contribution revenue decreased by $130 million (13 per cent) from $972 million to $842 million. UNFPA maintained a broad donor base of 123 Member States. The total contribution revenue to regular resources was $353 million; of this amount, 97 per cent was from the top 15 traditional donors, and 3 per cent was from other donors. The total contribution to co-financing revenue was $489 million.

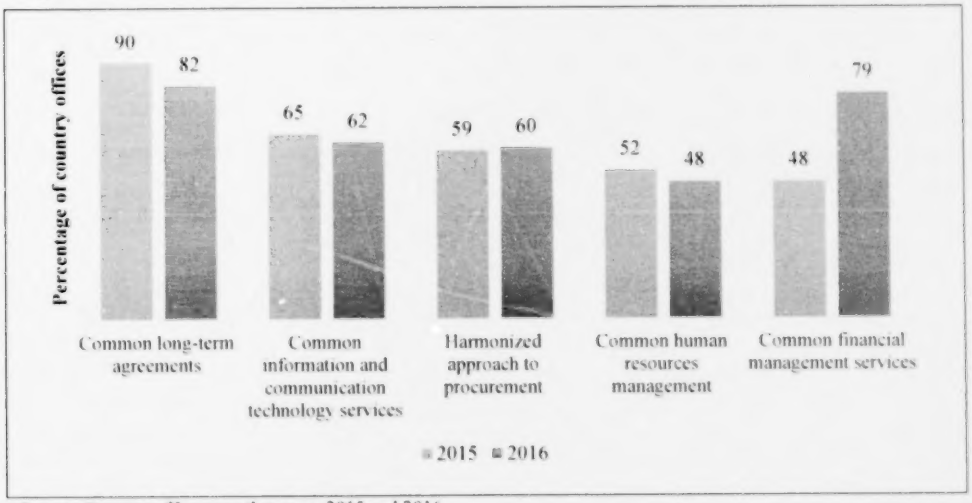
86. During 2016, UNFPA experienced a significant shortfall in income compared to the targets agreed by the Executive Board. As part of its financial accountability, UNFPA continuously monitored the expected level of income from regular resources and adjusted the planned resource distribution accordingly. UNFPA regularly discussed the financial situation with the Executive Board. The midterm review of the integrated budget, 2014-2017 (DP/FPA/2016/3) reflected the reduced appropriation for the institutional budget and for global and regional interventions.

87. UNFPA obtained a clean audit opinion in 2016. The percentage of UNFPA operating fund account advances that were overdue was reduced to 0.5 per cent, displaying a steady reduction over the past five years.

88. UNFPA is engaged in the harmonization and simplification of business practices within the United Nations system, as mandated by the quadrennial comprehensive policy review. In 2016, UNFPA served as co-convener of the Fiduciary Management Oversight Group of the United Nations Development Group. In this role, UNFPA supported the pass-through funding modality and the related revisions in Development Group funding policies, as well as the promotion of joint funding approaches.

89. UNFPA made available the harmonized approach to cash transfers to all its business units, applying a risk-based approach in working with implementing partners. UNFPA worked closely with UNDP and UNICEF to harmonize guidelines on the cash transfer approach and to establish long-term agreements with third-party service providers to support the implementation of the approach. Through the United Nations Development Group, UNFPA worked on the design of the common services packages and supported the implementation of the business operations strategy. In 2016, UNFPA achieved climate neutrality for the second year in a row, well ahead of the 2020 deadline suggested by the United Nations Secretary-General.

Figure 7: Country offices that implemented common United Nation services



Source: Country office annual reports, 2015 and 2016

90. In partnership with UNDP and UNICEF, UNFPA piloted a United Nations fleet-sharing project to improve efficiency. Fleet sharing, when fully operational, will reduce annual costs to UNFPA by $1.1 million, due to a reduction in fleet size. The reduction of vehicles will also help UNFPA reduce its carbon footprint. From 2014 to 2015, UNFPA reduced per capita emissions by 1.02 tonnes of carbon dioxide equivalent.

91. In 2016, UNFPA launched a second annual Enterprise Risk Management assessment cycle with streamlined risk registers, improved governance and a modified online application

platform. UNFPA also revised its internal control framework, which reflects best practices, generally accepted principles and requirements in the area of internal controls, including alignment to the "three lines of defence" model.

92. UNFPA continues to rank among the top United Nations organizations reporting to the International Aid Transparency Initiative. In 2016, UNFPA launched a pilot with a consortium of development partners, leveraging the Transparency Initiative to demonstrate the traceability of pool-funded activities through multilateral organizations.

Output 3: Increased adaptability through innovation, partnership and communications

93. UNFPA increased partnerships with the private sector and foundations. In 2016, UNFPA signed 72 new agreements with private-sector partners. Compared to 2015, UNFPA recorded an 11 per cent increase in revenue from the private sector, from $10.3 million to $11.5 million. In 2016, 51 per cent of countries developed and implemented comprehensive partnership plans.

94. UNFPA continued to invest in innovation. In 2016, the Innovation Fund approved an additional 11 innovative projects, bringing the total to 29, which covered all six geographical regions. An external formative evaluation was commissioned in 2016; preliminary findings show that the innovation initiative generated substantial momentum within UNFPA. A number of projects demonstrated proof of concept and the potential for replication and/or scale up.

95. Despite these successes, many challenges remain. UNFPA will continue its quest to be an innovative organization, notwithstanding human resource capacities, data gaps and reduced resources. It will continue to innovate by expanding partnerships, resolving bottlenecks and employing real-time monitoring.

96. UNFPA expanded its global media outreach. In 2016, UNFPA received, on average, over 600 influential media references per month. The UNFPA Facebook page has received three million 'likes'. The UNFPA Twitter account now has approximately 130,000 followers.

V. Elements of a decision

97. The Executive Board may wish to:

(a) Take note of the documents that make up the report of the Executive Director for 2016: DP/FPA/2017/4 (Part I, Part I/Add.1 and Part II);

(b) Note with appreciation the progress achieved in implementing the results frameworks of the UNFPA strategic plan, 2014-2017.

United Nations DP/FPA/2017/4 (Part I/Add.1)

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

Distr.: General
12 April 2017

Original: English

Annual session 2017
30 May to 9 June, 2017, New York
Item 10 of the provisional agenda
UNFPA – Annual report of the Executive Director

United Nations Population Fund

Statistical and financial review, 2016

Report of the Executive Director

Summary

This report provides summary financial information on UNFPA revenue and expenses for 2016, and on assets, liabilities and fund balances, as at 31 December 2016. Figures in this report are consistent with the full accrual basis of accounting. All data in the document is provisional, subject to external audit.

In 2016, UNFPA generated $859.5 million in revenue. This represents a $133.3 million (13.4 per cent) decline, compared to 2015, when revenue totalled $992.8 million. Expenses for the year have also gone down by $54.9 million (5.6 per cent), from $977.4 million in 2015 to $922.5 million in 2016.

In the environment of decreasing resources, UNFPA continued concentrating its efforts where they are needed the most. Field office expenses have grown as percentage of total programme and institutional budget expenses from 75.8 per cent ($711.5 million) in 2015 to 78.6 per cent ($707.5 million) in 2016. Share of regular resources expenses for country programmes in the least developed countries and low-income economies also grew by 1.9 per cent and 2.0 per cent, respectively, in 2016, compared to 2015.

UNFPA reserves and fund balances, as at 31 December 2016, were $720.5 million ($794.4 million in 2015), of which $45.1 million were under regular resources. A total of $30.0 million was made available for spending in 2017. Other resources fund balances of $675.4 million ($729.6 million in 2015) includes $262.4 million of contributions receivable that were not due for payment by the end of 2016 as well as contributions that were received but are earmarked for future years.

The operational reserve was reduced by $7.9 million, from $78.4 million in 2015 to $70.5 million in 2016, in order to set the amount of the reserve equal to 20 per cent of the regular resources contributions revenue for the year.

In a challenging financial environment, UNFPA closed 2016 in sound financial health by ensuring that its outstanding commitments remained within the available financial resources. UNFPA responded to the new financial environment through prudent financial management, including a level of austerity measures across all programmes and operations.

Elements of a decision

The Executive Board may wish to take note of the present report.

17-07361X (E) 090517

Please recycle

Contents

I. Introduction 3

II. Total resources 3

A. Revenue 3
B. Expenses 4
C. Fund balances and reserves 5
D. Integrated budget 5

III. Regular resources 6

A. Revenue and expenses 6
B. Fund balances and reserves 7

IV. Other resources 7

A. Revenue and expenses 7
B. Fund balances 8
C. Cost recovery 8

V. Cash and investments 8

VI. Other assets and liabilities 9

VII. Conclusions 9

ANNEXES

The following annexes are available on the UNFPA Executive Board website

Annex 1

Table 1. Statement of revenue and expenses for the year ended 31 December 2016
Table 2. Statement of assets, liabilities and fund balances as at 31 December 2016
Table 3. Statement of changes in net assets for the year ended 31 December 2016
Table 4. UNFPA expenses in 2016 at a glance
Table 5. UNFPA expenses in 2016, by region – East and Southern Africa
Table 6. UNFPA expenses in 2016, by region – West and Central Africa
Table 7. UNFPA expenses in 2016, by region – Arab States
Table 8. UNFPA expenses in 2016, by region – Asia and the Pacific
Table 9. UNFPA expenses in 2016, by region – Latin America and the Caribbean
Table 10. UNFPA expenses in 2016, by region – Eastern Europe and Central Asia
Table 11. UNFPA expenses in 2016, by region – Office in Addis Ababa
Table 12. UNFPA expenses in 2016, by region – Global activities
Table 13. Country programmes, regional activities and institutional budget expenses, by recipient country/territory and region, for the year ended 31 December 2016
Table 14. Programme expenses, by recipient least developed countries and low-income economies – regular resources
Table 15. Integrated resource plan, years 2014-2016
Table 16. Institutional budget expenses by category
Table 17. Regular resources – Contributions in excess of $1.0 million for year ended 31 December 2016
Table 18. Regular resources – Movements in reserves and fund balances for year ended 31 December 2016

Annex 2
Classification of countries and territories: UNFPA strategic plan, 2014-2017

I. Introduction

1. The statistical and financial review, 2016, provides summary information on UNFPA revenue and expenses for the year, and on assets, liabilities and fund balances as at 31 December 2016. This information is provided for activities funded by both regular and other resources. All figures in the present document are provisional, subject to external audit and, as a result of rounding, may not add up to the totals.

2. The statement of revenue and expenses for the year ended 31 December 2016 is provided in annex 1, table 1, for regular, other and total resources. The statement of assets, liabilities and fund balances as at 31 December 2016 is provided in the annex 1, table 2. The statement of changes in net assets for the year ended 31 December 2016 is provided in annex 1, table 3.*

3. The 2016 figures are prepared on the accrual basis of accounting, with the exception of annex 1, table 15, which presents resource utilization in the integrated resource plan on a budgetary comparable basis (modified accrual basis).

4. Throughout the report, reference is made to contribution revenue as 'gross' or 'net'. Gross contributions include amounts specified in agreements signed with donors, and are recognized as revenue consistent with UNFPA accounting policies, regardless of the period of implementation and the payment schedule. Net contributions for regular resources are exclusive of transfers to other revenue for reimbursement of tax charges to the citizens of one Member State. Net contributions to other revenue exclude refunds to donors, cost recovery charges and UNFPA contributions to joint programmes where the Fund serves as managing agent.

II. Total resources

A. Revenue

5. Total gross contribution revenue for the last five years can be summarized as follows:

	2016	2015	2014	2013	2012
	Millions of United States dollars				
Regular resources – gross	352.8	398.2	477.4	460.0	437.5
Other resources – gross	494.9	581.3	529.2	504.3	533.6
Total gross contributions	**847.7**	**979.5**	**1,006.6**	**964.3**	**971.1**
Other resources, as percentage of total resources	*58.4%*	*59.3%*	*52.6%*	*52.3%*	*54.9%*

6. Contributions to regular resources have decreased by $45.4 million (11.4 per cent) from 2015 to 2016. Contributions to other resources have also decreased by $86.4 million (14.9 per cent). Other resources accounted for 58.4 per cent of total gross contributions in 2016, compared to 59.3 per cent in 2015.

7. In 2016, other revenue amounted to $56.7 million ($57.2 million in 2015), equivalent to 6.6 per cent of total net revenue for the year (5.8 per cent in 2015). Other revenue includes cost recoveries for implementation of programme activities under other resources ($34.7 million), investment revenue ($7.8 million), reimbursement of tax charges paid to citizens of one Member State ($5.8 million), income from procurement services to third-party clients ($2.5 million) and other activities ($5.9 million).

8. Total net revenue in 2016 amounted to $859.5 million (see annex 1, table 1); this represented a $133.3 million (13.4 per cent) decline over 2015 levels ($992.8 million).

* The annexes to this report can be found on the UNFPA Executive Board website.

B. Expenses

9. Total expenses for 2016 were $922.5 million, which is $54.9 million (or 5.6 per cent) lower than in 2015, when total expenses amounted to $977.4 million.

10. Total expenses for 2016 and 2015 can be summarized as follows:

	Millions of United States dollars		Per cent	
	2016	*2015*	*2016*	*2015*
Programme and institutional budget	**900.3**	**938.9**	**97.6**	**96.1**
Country programmes, global and regional interventions (GRI) and other programme activities	763.5	798.6	82.8	81.7
Institutional budget - gross	136.8	140.3	14.8	14.4
Corporate	**22.2**	**38.5**	**2.4**	**3.9**
Corporate	22.2	38.5	2.4	3.9
Total expenses	**922.5**	**977.4**	**100.0**	**100.0**

11. Programme and institutional budget expenses can be summarized by region as follows:

	Millions of United States dollars		Per cent	
	2016	*2015*	*2016*	*2015*
East and Southern Africa	198.1	201.2	21.9	21.5
West and Central Africa	157.2	161.7	17.5	17.2
Arab States	123.6	111.9	13.7	11.9
Asia and the Pacific	139.2	145.8	15.5	15.5
Latin America and the Caribbean	51.9	57.5	5.8	6.1
Eastern Europe and Central Asia	36.5	32.6	4.1	3.5
Office in Addis Ababa	1.0	0.8	0.1	0.1
Global activities	192.8	227.4	21.4	24.2
Total programme and institutional budget	**900.3**	**938.9**	**100.0**	**100.0**

12. The strategic plan, 2014-2017 and its business model classify all countries and territories where UNFPA operates into four quadrants (red, orange, yellow and pink). This classification is based on a robust model, which weighs different factors, such as need, ability to finance and population. A list of all countries and their classification is included in annex 2.

13. Total programme and institutional budget expenses for 2016 and 2015, with a breakdown by strategic plan quadrant, are summarized in the table below:

	Millions of United States dollars		Per cent	
	2016	*2015*	*2016*	*2015*
Countries/territories expenses	**637.1**	**651.3**	***70.8***	***69.4***
Red	384.6	407.3	*42.8*	*43.4*
Orange	100.3	94.9	*11.1*	*10.1*
Yellow	67.4	68.8	*7.5*	*7.3*
Pink	84.8	80.3	*9.4*	*8.6*
Global and regional interventions	**51.2**	**57.8**	***5.7***	***6.1***
Regional	29.4	33.9	*3.3*	*3.6*
Global	21.8	23.9	*2.4*	*2.5*
Other regional and global expenses[a]	**212.0**	**229.8**	***23.5***	***24.5***
Other regional	41.0	26.3	*4.5*	*2.8*
Other global	171.0	203.5	*19.0*	*21.7*
Total programmes and institutional budget	**900.3**	**938.9**	***100.0***	***100.0***

a) Includes non-GRI expenses of regional offices and headquarters such as programme activities funded from other resources and institutional budget

14. Programme and institutional budget expenses are further detailed in annex 1, tables 4 through 12.

15. UNFPA spent $763.5 million on country programmes, global and regional interventions, and other programme activities in 2016 ($798.6 million in 2015). Governments and non-governmental organizations implemented 32.4 per cent ($247.6 million) of these resources, a slight decrease, compared to 32.5 per cent ($259.5 million) in 2015.

16. UNFPA continues focusing its programme interventions around women and girls, as evident by the fact that 64.0 per cent of UNFPA programme expenses (or $488.1 million) in 2016 either had gender equality/women's empowerment as their primary objective or made a significant contribution to gender equality. This is slightly lower than in 2015, when 65.7 per cent ($524.8 million) of programme expenses had women empowerment as primary objective or made a significant contribution to gender equality.

17. UNFPA remains committed to ensuring that maximum resources are dedicated to supporting its field office operations. Almost 78.6 per cent ($707.5 million) of total programme and institutional budget expenses in 2016 were incurred by country or regional offices. This is 2.8 per cent higher than in 2015, when field office operations accounted for 75.8 per cent ($711.5 million) of programme and institutional budget expenses. The breakdown of 2016 expenses by country/territory, region and quadrant for regular and other resources is provided in annex 1, table 13.

18. UNFPA continues directing its assistance to the areas where it is most needed. In 2016, UNFPA spent 55.5 per cent ($114.8 million) of its country programme regular resources expenses in the least developed countries. This represents 1.9 per cent increase, compared to 2015, when 53.6 per cent ($137.0 million) were spent in the least developed countries.

19. A total of $85.4 million of regular resources was spent on programme activities in low-income economies, which is equivalent to 41.3 per cent of annual country programme expenses from regular resources. This is again higher than in 2015, when 39.3 per cent ($100.3 million) of regular resource expenses for country programmes were incurred in the low-income economies.

20. The breakdown of expenses in the least developed countries and low-income economies is provided in annex 1, table 14.

C. Fund balances and reserves

21. Reserves and fund balances at 31 December 2016 totalled $720.5 million. This is $73.9 million lower than in 2015, when total of reserves and fund balances was equal to $794.4 million. More details are provided in the table below:

	Millions of United States dollars	
	2016	*2015*
Operational reserve	70.5	79.4
Reserve for field accommodation	5.0	5.0
Designated regular resources fund balances*	38.5	38.3
Undesignated regular and other resources fund balances	606.5	672.7
Total	**720.5**	**794.4**

* 'Designated' refers to the portion of regular resources balance that is designated for a special purpose and is not available for programming.

D. Integrated budget

22. In its decision 2013/32, the Executive Board approved the first UNFPA integrated budget, 2014-2017 (DP/FPA/2013/14), aligned with the strategic plan for the same period. The integrated budget encompasses all cost categories and results of the organization within a single, integrated framework.

23. Annex 1, tables 4 through 12, present information on expenses (on accrual basis of accounting) for the year ended 2016, by four development outcomes (with further details by output) and three organizational efficiency and effectiveness outputs, as per the strategic plan and integrated budget.

24. Annex 1, table 15, presents information on the actual utilization of resources for 2014-2016, against the estimates included in the integrated resource plan of the integrated budget. Resource utilization is presented under the modified accrual basis of accounting, consistent with the budget presentation.

25. Annex 1, table 16, provides further details of the institutional budget component of the integrated budget by expense categories.

III. Regular resources

A. Revenue and expenses

26. A summary of revenue, expenses and surplus/deficit for the year under regular resources for 2016 and 2015 is presented in the table below:

	Millions of United States dollars	
	2016	2015
Revenue		
Contributions - gross	552.6	598.2
Less: transfers to other revenue for reimbursement of tax charges	(5.8)	(5.9)
Other revenue	52.1	52.5
Total revenue	**598.1**	**644.8**
Expenses		
Country programmes (excluding Emergency Fund)	292.5	298.8
Emergency Fund	4.6	4.9
Global and regional interventions	91.2	97.8
Institutional budget	136.8	140.3
After-service health insurance and other employee benefits expenses charged to corporate	8.0	12.7
Other corporate expenses	4.6	26.1
Total expenses	**487.7**	**482.7**
Deficit for the year	**(8.6)**	**(37.9)**

27. Total net revenue under regular resources has decreased by $45.7 million (10.3 per cent) from 2015 to 2016.

28. At 31 December 2016, UNFPA made a provision for doubtful accounts of $0.1 million (similar to 2015), for contributions receivable for which collection was considered doubtful.

29. Annex 1, table 17, provides a summary of regular resource contributions in excess of $1.0 million.

30. Out of total regular resources expenses of $404.7 million, $258.3 million were spent on country programmes, global and regional interventions and other programme activities. This amount includes $4.6 million funded through the Emergency Fund, which enabled UNFPA field offices to rapidly respond to humanitarian emergencies before bilateral funding became available. Institutional budget expenses, which include expenses for both management and development effectiveness activities, amounted to $136.8 million in 2016. Remaining $12.6 million were spent on corporate expenses, such as annual costs for after-service health insurance and other employee benefits, foreign exchange gains and losses, and income tax reimbursements to the citizens of one Member State.

31. Actual expenses for 2016 decreased by $75.0 million (15.5 per cent) from 2015 to 2016. This decrease is attributed primarily to prudent financial management, including a level

of austerity measures introduced by management across all programmes and operations, to ensure that UNFPA commitments stay within available resources.

32. In annex 1, tables 4 through 12 delineate programme and institutional budget expenses funded from regular resources.

B. Fund balances and reserves

33. In 2016, expenses under regular resources exceeded revenue for the year by $8.6 million. This amount is reflected in the year-end fund balance under regular resources of $45.1 million.

34. As shown in annex 1, table 19, total funds available for programming for 2017 were $30.0 million.

35. At 31 December 2016, UNFPA decreased its operational reserve by $7.9 million, from $78.4 million in 2015 to $70.5 million. This reduction was made, in accordance with the UNFPA financial regulations and rules, in order to set the level of the reserve equal to 20 per cent of the regular resources net contribution revenue for the year.

IV. Other resources

A. Revenue and expenses

36. Other resources comprise trust funds and special funds. Special funds include the junior professional officer programme; procurement services; and other funds.

37. A summary of revenue, expenses and annual surplus/deficit under other resources in 2016 and 2015 is presented in the table below.

	Millions of United States dollars	
	2016	*2015*
Revenue		
Contributions – gross	494.9	581.3
Less: refunds to donors	(4.4)	(4.5)
Less: indirect costs*	(34.7)	(33.3)
Less: contributions to joint programmes where UNFPA is a Managing Agent	-	(0.2)
Other revenue	4.6	4.7
Total revenue	**460.4**	**548.0**
Expenses		
Trust funds	539.6	518.7
Less: indirect costs on trust funds	(34.4)	(33.3)
Special funds	9.9	9.5
Less: indirect costs on special funds	(0.3)	-
Less: contributions to joint programmes where UNFPA is a Managing Agent	-	(0.2)
Total expenses	**514.8**	**494.7**
(Deficit)/surplus for the year	**(54.4)**	**53.3**

38. * Same amount is included in the 'other revenue' under regular resources.

39. Total revenue under other resources decreased by $87.6 million (16.0 per cent), from 2015 to 2016.

40. Expenses for the year increased by $20.1 million (4.1 per cent). This growth was primarily due to implementation of programme activities under co-financing agreements for which funds were received in prior years.

41. Annex 1, tables 4 through 12 delineate trust fund expenses.

B. Fund balances

42. The excess of expenses over revenue (deficit) for 2016 under other resources was $54.4 million. This amount is reflected in the year-end fund balance under other resources of $675.4 million ($729.6 million in 2015).

43. The other resources fund balance includes $262.4 million of contributions receivable ($278.6 million in 2015) that were not due for payment by the end of 2016, as well as funds that have already been received but are earmarked for future years' activities.

C. Cost recovery

44. In its decision 2013/9, the Executive Board endorsed a general, harmonized cost-recovery rate of 8 per cent for contributions to other resources. The same decision also approved a differentiated cost-recovery structure for thematic contributions, government cost-sharing, South-South contributions, private-sector contributions and legacy agreements. The UNFPA Executive Director was given authority to waive the cost-recovery rates on a case-by-case basis.

45. Table below summarizes the financial effect of differentiated rates and approved waivers in 2016:

	Thousands of United States dollars*			
	Collected indirect costs	*Collectible under 8% rate*	*Difference*	*Effective indirect cost rates in 2016*
Indirect cost-recovery waivers	388	462	74	6.7%
Legacy agreements	1,959	2,239	280	7.0%
Government cost-sharing	890	1,424	534	5.0%
Thematic trust funds	9,136	10,442	1,305	7.0%
Umbrella agreements**	9,123	10,426	1,303	7.0%
Total	**21,496**	**24,993**	**3,496**	

* *This table excludes indirect costs from co-financing agreements with standard cost recovery rate of 8 per cent*

** Umbrella agreements are broader agreements reached jointly with one or more United Nations agencies vis-a-vis one or more bilateral or multilateral donors.

46. As per table above, UNFPA generated $3.5 million less in indirect costs than it would have if an 8 per cent rate would be applied across the board. Out of this amount, $0.07 million were due to exceptional waivers granted in the context of specific co-financing agreements for the following donor funds: Saudi Fund for Development (5 per cent); Saudi Arabia (7 per cent); United Nations Children's Education Fund (7 per cent); United Nations Office for Project Services (7 per cent); UNDP Multi-Partner Trust Fund – Iraq Trust Fund (6.25 per cent); Global Fund to Fight AIDS, Tuberculosis and Malaria, through UNDP (7 per cent); UNITAID (0 per cent) and Global Fund to Fight AIDS, Tuberculosis and Malaria, through the United Nations Children's Education Fund (7 per cent).

V. Cash and investments

47. At 31 December 2016, cash and investments held by UNFPA totalled $756.5 million ($780.5 million in 2015), comprising cash and cash equivalents (including investments with a duration of less than 90 days) of $213.6 million ($77.4 million in 2015) and other investments of $542.9 million ($703.1 million in 2015).

48. Of the total investments, $324.4 million are restricted in use. Of this amount, $70.5 million are allocated to the operational reserve; $5.0 million to the reserve for field accommodation; and $199.0 million are set aside to fund employee benefits liabilities. Restricted investments also include the principal amount of the private endowment trust ($33.7 million); and funds held by UNFPA on behalf of other United Nations organizations in

the capacity of Administrative Agent ($16.2 million). Cash and cash equivalents and investments are shown in the annex 1, table 2.

49. The UNFPA main investment portfolio of $641.5 million as at 31 December 2016 (inclusive of cash equivalent instruments) is comprised solely of investment-grade fixed-income securities. The portfolio is governed by a conservative investment policy, which sets maturity, counterparty and credit-quality limits in order to achieve preservation of capital, meeting the liquidity requirements and maximization of income within set safety and liquidity parameters. In 2016, UNFPA, jointly with UNDP and UNICEF, moved part of the funds set aside for funding of post-employment benefits to a more diversified, higher-yielding portfolio, similar to that of the United Nations Joint Staff Pension Fund, managed by an external manager. In 2016, UNFPA transferred $90.0 million to the new portfolio, which had a market value of $91.7 million as at 31 December 2016), with additional transfers planned to be carried out in 2017.

VI. Other assets and liabilities

50. UNFPA inventory balance has decreased by $12.7 million, from $59.0 million at the end of 2015 to $46.3 million at the end of 2016. UNFPA inventory consists of reproductive health commodities and other programme-related goods procured for distribution to beneficiaries or sale to third parties that are either stored in warehouses or in transit (not yet physically received at their destination). At the end of 2016, $31.4 million (67.8 per cent) of inventory were in transit to their intended locations and $14.9 million (32.2 per cent) worth of inventory was held in warehouses, either at headquarters or in the field. The decrease is primarily due to more effective clearance and distribution of in-transit inventories to programme countries, some of which were affected by the humanitarian crisis.

51. Contributions receivable decreased by 3.8 per cent from $300.9 million at the end of 2015 to $289.5 million at the end of 2016. Of this amount, $269.9 million (93.2 per cent) corresponded to other resources, of which $262.4 million (97.2 per cent) were not due for payment as at 31 December 2016.

52. Operating fund advances outstanding at year end continued to decrease, to $7.3 million in 2016, $3.5 million lower than at the end of 2015. This decrease is a result of management efforts to improve management of operating fund advances including a timelier recovery of unspent balances from implementing partners.

53. Employee benefits liabilities increased by $26.8 million, from $302.7 million at the end of 2015 to $329.5 million at the end of 2016. This variation is primarily attributed to an increase of $27.7 million in the after-service health insurance liability, due to recognition of qualifying service and interest costs for the year and a decrease in the discount rate used to measure the liability. The unfunded portion of the employee benefits liability has increased by $15.7 million, from $114.8 million at the end of 2015 to $130.5 million at the end of 2016. This was caused by the overall increase in liabilities, which was only partially offset by funding of $11.1 million set aside during the year.

VII. Conclusions

54. In a challenging financial environment, UNFPA closed 2016 in sound financial health by ensuring that its outstanding commitments remained within the available financial resources. UNFPA responded to the new financial environment through prudent financial management, including a level of austerity measures across all programmes and operations.

United Nations DP/FPA/2017/4 (Part II)

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

Distr.: General
27 March 2017

Original: English

Annual session 2017
30 May to 9 June 2017, New York
Item 10 of the provisional agenda
UNFPA – Annual report of the Executive Director

UNITED NATIONS POPULATION FUND

Report on the recommendations of the Joint Inspection Unit in 2016

Report of the Executive Director

Summary

In line with General Assembly resolution 59/267, this report provides a synopsis of UNFPA management responses to the recommendations of the Joint Inspection Unit (JIU), and draws attention to specific recommendations directed to the legislative organs of the United Nations system organizations. The present report focuses on the eight JIU reports and one management letter relevant to UNFPA issued in 2016. Of the total 60 recommendations issued, 42 are relevant to UNFPA, of which 27 recommendations are addressed to UNFPA management and 15 to the legislative organs. The present report provides UNFPA management responses to the relevant recommendations and includes an update of the implementation status of recommendations contained in reports issued by the JIU in 2014 and 2015.

Elements of a decision

The Executive Board may wish to take note of the present report, especially those aspects of the JIU reports that have particular relevance to the work of UNFPA.

17-07364X (E) 090517

Please recycle

I. Overview of Joint Inspection Unit reports and notes

1. The present report provides a summary of UNFPA management responses to recommendations issued by the Joint Inspection Unit (JIU), included in eight reports and one management letter which are relevant to UNFPA and were issued and received since the report for 2015 [DP/FPA/2016/2 (Part II)]. The present document includes the recommendations directed to the UNFPA governing body. Two additional reports[1] included in the JIU report for 2016 were not received at the time of preparing this report, and will be included in the next submission to the Board.

2. These reports and management letter concern the following (with indication of the corresponding Chief Executives Board comments when available):

(a) Succession planning in the United Nations system organizations (JIU/REP/2016/2);[2]

(b) Comprehensive review of United Nations system support for small island developing States: Initial findings (JIU/REP/2016/3)[3] and Comprehensive review of United Nations system support for small island developing States: Final findings (JIU/REP/2016/7);

(c) Fraud prevention, detection and response in United Nations system organizations (JIU/REP/2016/4);

(d) Evaluation of the contribution of the United Nations development system to strengthening national capacities for statistical analysis and data collection to support the achievement of the Millennium Development Goals (MDGs) and other internationally agreed development goals (JIU/REP/2016/5);[4]

(e) Meta-evaluation and synthesis of United Nations Development Assistance Framework evaluations, with a particular focus on poverty eradication (JIU/REP/2016/6);

(f) State of the internal audit function in the United Nations system (JIU/REP/2016/8);

(g) Safety and security in the United Nations system (JIU/REP/2016/9); and

(h) Review of the acceptance of JIU recommendations by the United Nations Population Fund (UNFPA) (JIU/ML/2016/5).

[1] "Administrative Support Services – The role of service centres in redesigning administrative service delivery" (JIU/REP/2016/10) and "Knowledge Management in the United Nations system" (JIU/REP/2016/11)

[2] Corresponding Chief Executives Board comments (A/71/393/Add.1)

[3] Corresponding Chief Executives Board comments (A/71/324/Add.1)

[4] Corresponding Chief Executives Board comments (A/71/431/Add.1)

II. Synopsis and review of relevant Joint Inspection Unit reports and recommendations

3. The management responses to the relevant recommendations in the JIU reports and the management letter, including those for consideration by the legislative body, are provided below. Annex 1 to the present report provides a statistical summary of documents that are subject to the present reporting; annex 2 and annex 3 provide information on the implementation status of recommendations issued in 2015 and 2014, respectively; annex 4 contains an overview of the recommendations relevant to UNFPA and directed to the governing body of UNFPA; and annex 5 outlines the topics of relevance for UNFPA in the JIU work programme for 2017.

A. Succession planning in the United Nations system organizations (JIU/REP/2016/2)

4. The primary objective of this review was to follow up and assess the progress made in developing a framework for a succession planning strategy and implementing the relevant policies. The review mapped the elements of the existing informal succession planning processes that are in line with the framework proposed in 2009 by the secretariat of the United Nations System Chief Executives Board for Coordination (CEB), in response to a recommendation issued in 2007 by the JIU. In addition, the review assessed the progress made in the system-wide discussions on succession planning that were initiated in 2009 in the framework of the Human Resources Network of the High-Level Committee on Management.

5. The report concluded that succession planning, while important, was not treated as a priority in any United Nations system organization since none had a formal succession planning process in place. Organizations were urged to expedite their succession planning processes in order to prevent potential loss of institutional memory and ensure smooth knowledge transfer and business continuity, especially in leadership positions and other crucial functions.

6. The report contains four recommendations, all of which are of relevance to UNFPA. One is addressed to the Executive Board (recommendation 1) and three to the Executive Director (recommendations 2-4).

7. UNFPA will support the Executive Board in examining formal succession planning in place at UNFPA, including the adequacy of funding (recommendation 1). It is worth remembering that the organization introduced in 2013 its leadership pool – considered a cutting-edge mechanism for addressing succession planning for core leadership positions. UNFPA supports the adoption of appropriate frameworks for succession planning (recommendations 2), yet views the deadline for implementation by the end of 2017 as too ambitious. UNFPA further supports the application of the five benchmarks set out in the report (recommendation 3), and agrees to report to the Executive Board, as required by Member States. UNFPA endorses reinstating succession planning as a main agenda item of the Human Resources Network of the High-Level Committee on Management (recommendation 4).

B. Comprehensive review of United Nations system support for small island developing States: Initial findings (JIU/REP/2016/3) and Comprehensive review of United Nations system support for small island developing States: Final findings (JIU/REP/2016/7)

8. The first report (JIU/REP/2016/3) analysed the United Nations headquarters support to small island developing States provided by (and resources made available to) the Small Island Developing States units of the Department of Economic and Social Affairs and of the

Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. The review disclosed that the evolving mandates of these units had led to an increasing workload, without a commensurate increase in resources.

9. The report requested that the Secretary-General highlight, in his annual report on small island developing States, the work undertaken by all organizations and entities covered by the United Nations strategic framework whose mandates are relevant to small island developing States, including a strategic vision for a more coordinated and coherent planning to foster the implementation of the SAMOA Pathway.[5]

10. The review analysed the composition, role and working modalities of the Inter-Agency Consultative Group on Small Island Developing States and proposed measures to upgrade the relevance of its work in support of small island developing States.

11. The first report contains four recommendations, none of which are addressed to UNFPA.

12. The second report (JIUP/2016/7) analysed the United Nations system support in the field, with particular attention to the work of the United Nations funds and programmes, specialized agencies and environmental conventions. The field visits revealed high expectations from the Governments of the small island developing States for a better alignment of the work of the United Nations system with the priorities defined at national and regional levels by those States themselves.

13. This report called for efforts to be made, in defining the monitoring and accountability frameworks, to minimize the burden for small island developing States to report on the SAMOA Pathway and other global mandates, such as the 2030 Agenda, the Paris Agreement on Climate Change, the Addis Ababa Action Agenda and the Sendai Framework on disaster risk reduction.

14. The second report includes nine recommendations, eight of which of relevance to UNFPA; seven are addressed to the Executive Board (recommendations 1-4 and 6-8) and one to the Executive Director (recommendation 5).

15. UNFPA will support the Executive Board in :

(a) Giving precise system-wide coordinated guidance to ensure that the SAMOA Pathway priorities are mainstreamed in strategic plans (recommendation 1);

(b) Ensuring that the organization's strategic plans and work programmes include specific objectives related to the implementation of the SAMOA Pathway (recommendation 2);

(c) Ensuring that the activities in support of sustainable development of small island developing States are aligned with the regional and national priorities identified by Governments and small island developing States development partners (recommendation 3);

(d) Coordinating the planning and implementation of capacity-building activities in close consultation with the small island developing States and development partners, to strengthen effectiveness and efficiency in supporting the achievement of the goals defined in the SAMOA Pathway (recommendation 4);

[5] Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway. See https://sustainabledevelopment.un.org/samoapathway.html.

(e) Encouraging the allocation of predictable multi-year funding to facilitate the effective implementation of programmatic activities in support of the small island developing States (recommendation 6);

(f) Ensuring the specificity of small island developing States is explicitly considered in defining the elements of monitoring and accountability frameworks to report on progress made (recommendation 7); and

(g) Coordinating the efforts in designing monitoring and accountability frameworks and tools adapted to the capacity of small island developing States to monitor and report on the implementation of the SAMOA Pathway and other sustainable development-related global mandates (recommendation 8).

16. UNFPA will participate in the process led by the Inter-Agency Task Force on Financing for Development and actively contribute to addressing the specificity of small island developing States (recommendation 5).

C. Fraud prevention, detection and response in United Nations system organizations (JIU/REP/2016/4)

17. The report examined fraud prevention, detection and response in the United Nations system at the conceptual and operational levels, and advocated the adoption of a fraud management framework comprising eight pillars. The review considered the significant work recently done by the oversight bodies of the United Nations system[6] and previous JIU reports that dealt in part with certain aspects of fraud.[7]

18. In addition to substantial financial losses, fraud has damaging effects on an organization's reputation, placing at risk the ability to implement programmes effectively, establish partnerships and secure funding. Effective fraud prevention, detection and response mechanisms play a key role in safeguarding organizations. Anti-fraud measures play an equally important role in enhancing the accountability and effectiveness of the United Nations system and in promoting appropriate oversight and the responsible use of resources.

19. The report stressed a number of needed improvements; these include: (a) setting a strong "tone at the top" in dealing with fraud; (b) promoting an encompassing anti-fraud culture; (c) undertaking systematic assessments to determine the level of fraud risk exposure; (d) agreeing on a commonly understood definition of fraud; (e) introducing a clear policy and/or strategy to fight fraud; (f) having a clear business process ownership and addressing serious governance deficits in dealing with fraud; (e) reducing delays in investigations of alleged fraud and addressing the shortages of trained and qualified forensic investigators; (g) allocating proportionate resources dedicated to anti-fraud activities; (h) more effectively implementing multilateral frameworks for common debarment of third parties and other sanctions regimes; (i) systematically following up investigations, especially with national enforcement authorities; and (j) establishing and administering a robust disciplinary regime to deal with employees engaging in fraudulent activities.

20. The report contains 16 recommendations; 15 of them are addressed to the Executive Director (recommendations 1-15) and one to the Executive Board (recommendation 16).

[6] In particular by the Board of Auditors, the Independent Audit Advisory Committee, OIOS and other internal and external audit bodies.

[7] "Analysis of the resource mobilization function" (JIU/REP/2014/1); "management of implementing partners in United Nations system organizations" (JIU/REP/2013/4); "the investigations function in the United Nations system" (JIU/REP/2011/7 and JIU/REP/2000/9); and "accountability frameworks in the United Nations system" (JIU/REP/2011/5).

21. UNFPA supports all recommendations; at the time this report was written, the organization had already met or was in the process of meeting the requirements:

(a) The UNFPA oversight policy approved by the Executive Board in January 2015 includes the definition of fraudulent, corrupt, collusive, coercive and obstructive practices, almost identical to that of the multilateral development banks (recommendation 1);

(b) UNFPA will complete the update of its anti-fraud policy in the first quarter of 2017 (recommendation 2);

(c) The organization designated a corporate senior-level manager to be the custodian of the anti-fraud policy and be responsible for its implementation, monitoring and periodic review (recommendation 3);

(d) UNFPA is in the process of fundamentally revising its dedicated anti-fraud training and fraud awareness strategy (recommendation 4);

(e) It has introduced a comprehensive corporate fraud risk assessment addressing fraud risks at all levels of the organization (recommendation 5), and needs to improve on its effectiveness;

(f) UNFPA is developing a comprehensive anti-fraud strategy and action plan for implementing the fraud policy (recommendation 6), which will include a review of the internal control framework to ensure proportionate anti-fraud controls exist and fraud risks identified in the fraud risk assessments are adequately addressed (recommendation 7);

(g) More efforts are required to introduce statements of internal controls that fully address the adequacy of organization-wide anti-fraud controls (recommendation 8);

(h) All legal instruments for engaging third parties, such as vendors and implementing partners, already include anti-fraud clauses and provisions (recommendation 9);

(i) Some fraud prevention and detection capabilities are embedded in UNFPA systems; yet these need to be strengthened (recommendation 10);

(j) The whistle-blower policy will be revisited, bearing in mind good practices; the duty to report fraud and other wrongdoing will be extended to contract employees, United Nations volunteers, interns and other non-staff, as well as third parties, including vendors, suppliers and implementing partners (recommendation 11);

(k) The central intake mechanism for all fraud allegations is already in place (recommendation 12);

(l) The Office of Audit and Investigation Services (OAIS) has established and will enhance its key performance indicators for the conduct and completion of investigations; its capacity to investigate, based on a risk categorization and the type and complexity of investigations, is in the process of being reinforced (recommendation 13);

(m) While UNFPA supports strengthening existing protocols and procedures for referrals of fraud cases (and other wrongdoing) to national enforcement authorities and courts for criminal civil proceedings as well as for asset recovery (recommendation 14), UNFPA believes that the recommendation is outside of its direct influence and should be led by the Office of Legal Affairs of the United Nations; and

(n) UNFPA will work with UNDP, UNICEF, UNOPS, and UN-Women on a harmonized approach for annual reporting to each organization's respective Board on anti-fraud activities (recommendation 15).

22. UNFPA will support the Executive Board should it decide on a permanent or standing item relating to fraud prevention, detection and response (recommendation 16).

D. Evaluation of the contribution of the United Nations development system to strengthening national capacities for statistical analysis and data collection to support the achievement of the Millennium Development Goals (MDGs) and other internationally agreed development goals (JIU/REP/2016/5)

23. This evaluation is one of two evaluations requested for the pilot implementation of the independent system-wide evaluation policy. It examined the relevance, coherence and the added value of the United Nations system as whole in strengthening national capacities for statistical data collection, analysis and use. Statistics play a significant role in supporting the development of robust evidence-based decisions. In the 2030 Agenda for Sustainable Development, adopted in September 2015, world leaders re-emphasized the need for evidence-based decision-making and called for country-led processes in the planning, monitoring and evaluation of the Sustainable Development Goals as a means of strengthening the relevance and sustainability of the United Nations contribution in the future. In this regard, national statistical capacity has been central in the dialogue on the monitoring and review of progress in the achievement of the 2030 Agenda, highlighting the need to strengthen national capacities to produce data at the level of disaggregation necessary to ensure that 'no one is left behind'.

24. The evaluation showed that the United Nations system made a positive contribution to strengthening national capacities for the production of statistics; but there are still challenges relating to the quality of this contribution, specifically with regard to the coordination of activities, the sustainability of results and the relevance to national priorities. One of the main concerns emerging from the analysis is the inadequate support by the United Nations system to greater and more effective use of statistics by policy makers, civil society and the private sector.

25. The report contains five recommendations; four are addressed to the General Assembly in the context of the quadrennial comprehensive policy review 2017-2020 (recommendations 1-2 and 4-5) and one to the Executive Director (recommendation 3).

26. UNFPA concurs with all recommendations addressed to the General Assembly: making national statistical capacity development a major strategic priority of the United Nations system entities (recommendation 1); focussing on the use of national statistics for supporting the achievement of national development goals (recommendation 2); developing a five-year strategy framework for an integrated support for national statistical capacity development at global, regional and country levels (recommendation 4); and ensuring that this is supported by all United Nations country teams, as determined by national authorities (recommendation 5).

27. UNFPA also supports establishing a network that will bring together policy, programme and statistics departments in order to define how to better support more effective use of statistics by national stakeholders to achieve national development goals, and developing system-wide guidance to that effect (recommendation 3). UNFPA notes that efforts are already ongoing in this regard. UNFPA suggests it might be more effective to also explore incentives for joint programmes and collaboration, as the time required for such efforts may act as a deterrent.

E. Meta-evaluation and synthesis of United Nations Development Assistance Framework evaluations, with a particular focus on poverty eradication (JIU/REP/2016/6)

28. This report is the other evaluation requested for the pilot implementation of the policy for independent system-wide evaluation. This evaluation examined the overall quality, credibility and use of United Nations Development Assistance Framework evaluations undertaken in the period 2009-2013, and sought to provide an assessment of the contribution of the United Nations system in achieving national development goals. The exercise also aimed at introducing improvements and adjustments to the existing guidelines for the Framework evaluation process.

29. The evaluation concluded there was a lack of commitment from stakeholders in the United Nations Development Assistance Framework evaluation process, evidenced by a low compliance level with both the requirement for an evaluation and the quality standards. There was partial adherence to and utilization of robust evaluation methodologies, in accordance with the norms and standards of the United Nations evaluation group. Furthermore, a low level of participation from national stakeholders was identified, along with significant issues of coordination and cooperation in the evaluation activities conducted by the United Nations entities at the country level. The review also found that United Nations programming principles are not fully considered, in particular those of environmental sustainability and capacity-development being seldom mentioned.

30. The JIU report contains five recommendations, four of which are relevant to UNFPA.

31. UNFPA fully supports all recommendations. In particular, UNFPA will pursue its active involvement in the United Nations Development Group, helping to revise the United Nations Development Activity Framework programming guidance (recommendation 1), to revisit the evaluation guidelines (recommendation 5), and to improve the guidance to Resident Coordinators, inter alia, on the United Nations Development Activity Framework evaluation process (recommendation 3). In relation to recommendation 4 – coordinating evaluation activities at the country level so they can be better integrated with the United Nations Development Activity Framework evaluation process – UNFPA actively supports it while also pointing out the key challenge of harmonizing the different programming cycles by United Nations organizations, given the specific requirements of their respective governing bodies.

F. State of the internal audit function in the United Nations system (JIU/REP/2016/8)

32. The internal audit function is an established and integral part of the accountability framework in the United Nations system and has a key role in the good governance of organizations. This review aimed at taking stock of developments regarding the internal audit function since the two previous reports (2006 and 2010), with recommendations complementing those previously made.

33. The current review disclosed that the internal audit function is well recognized and utilized; internal audit services have made good progress in achieving professional auditing standards – which is an important message to external stakeholders, including donors, regarding the quality and reliability of the function in United Nations system organizations. At the same time, the review also disclosed that senior management, governing bodies and donors need to further capitalize on the function for assurance on governance, risk management and internal control processes in United Nations system organizations.

34. A critical aspect for the internal audit function is independence. In this regard, the report encouraged both executive heads and governing bodies of the organizations to ensure and

enhance the independence of their internal audit services, including through the provision of sufficient resources.

35. Going forward, the report stressed that the internal audit strategy needs to be better aligned with the strategic plan of the organizations served, particularly in terms of the type of auditing services to be offered and the feasibility of combining with other independent oversight functions, such as investigation, inspection or evaluation, as well as in terms of size and resourcing needs of the internal audit service. The report further called for the internal audit strategy to be developed by the head of internal audit/oversight in close consultation with the oversight committee and the executive head.

36. The report also encouraged heads of internal audit/oversight in the United Nations system to ensure that their annual reporting provides comprehensive views on oversight and that governing body members be given access, upon request, to all internal audit reports. The report raised the question of public disclosure of internal audit reports, and concluded that the matter needs to be carefully examined and assessed by the executive heads and the governing bodies, on an organization-by-organization basis.

37. Regarding independent oversight committees, the review considered that their establishment has been an important achievement in United Nations system organizations in recent years, yet that that there was a need for an institutionalized role for the governing bodies to play. In this respect, the inspectors recommended that the governing body review and approve the oversight committee charter, play a role in the selection of oversight committee members and in assessing the committee's performance. They also considered that the annual report of the oversight committee should be presented to the governing body as an important accountability document that provides advice on the effectiveness of the internal audit function. Further, the inspectors recommended that the role of the committee be formalized in the organization's regulations and rules.

38. The report contains nine recommendations, complementing those made in the past two JIU reports on the function, many of which reiterated in the present one. Of the nine, five are relevant to UNFPA: three are addressed to the Executive Director (recommendations 2 and 5-6) and two to the Executive Board (recommendations 1 and 9).

39. UNFPA supports – and has been ensuring for many years – that the head of internal audit/oversight and the chair of the oversight committee (created in 2006) both attend the session of the Executive Board taking up audit matters and be given the opportunity to respond to questions raised about their respective annual reports, if any (recommendation 1).

40. Regarding the hiring, renewal and termination of the head of internal audit/oversight, UNFPA supports involving the oversight committee – this has already been implemented; it is reflected in the oversight policy approved by the Executive Board in January 2015. Consulting the Executive Board on the matter has, so far, not been done and would require a decision and corresponding modification of the oversight policy (recommendation 2). In this respect, UNFPA would point out to the challenge of an internal audit function potentially been perceived as external to the organization.

41. To provide more audit coverage, the UNFPA Office of Audit and Investigation Services already uses extensively information technology auditing techniques, advanced data analytics and remote auditing, with the first 'remote auditing and monitoring' report issued in December 2016 and the approach and tool demonstrated to various stakeholders[4] (recommendation 5). UNFPA supports and has already began allocating additional financial

[4] Such as the Board of Auditors, the United Nations Representatives of Internal Audit Services (UN-RIAS) and the Conference of International Investigators

and human resources to its internal audit services to ensure increased coverage of high-risk areas and faster auditing cycles (recommendation 6).

42. As to recommendation 9, fulfilling the conditions for an effective, independent, expert oversight committee, and that the committee fully functions in line with previous JIU recommendations – UNFPA supports, and has already implemented, many of the conditions put forward in the report. UNFPA recalls that its oversight committee advises primarily the Executive Director, and considers that the Committee's detailed terms of reference and composition are best left to the Executive Director, to address more closely the organization's needs.

43. The report includes in its annexes data on the internal audit function. Additional information on risk appetite, geographic coverage and more details on audits (e.g. their type or mode of engagement) are necessary to allow a more in-depth analysis and a comprehensive and informed interpretation of the data. It is suggested to use the standardized benchmarking of the internal audit profession to inform future benchmarking.

G. Safety and security in the United Nations system (JIU/REP/2016/9)

44. Security and safety of United Nations personnel has been a persistent issue on the United Nations agenda. The current report is a system-wide review focusing on the JIU participating organizations and members of the Inter-Agency Security Management Network. Particular attention is given to the role and services provided by the Department for Safety and Security of the United Nations Secretariat, as the primary coordinating actor of the United Nations security management system. The system is responsible for the security of approximately 180,000 personnel, as well as 300,000 dependants in environments ranging from major metropoles to remote field locations. In addition to working in areas with high crime, natural hazards, social instability and armed conflict, it must provide preventive measures and adequate responses to global threats like terrorism.

45. The following strategic areas formed the focus of the review: security culture; security-related information management; safety and security standards; security crisis management and surge capacity; and resources and finance. The United Nations security management system has unquestionably evolved, moving from, among other things, a security phase system, considered as one of the main difficulties faced in the field, to a risk-management philosophy of "how to stay", based on the structured use of risk analysis. New policies and standards have been developed and inter-agency cooperation is more robust. The system is, however, characterized by its fragmentation in various areas and at different levels.

46. The report called for a higher level of integration of resources, financial and human, to optimize the use of security resources system-wide, avoid duplication and build upon the expertise in each of the organizations of the United Nations security management system, while taking into consideration their specific operational needs and the degree of autonomy necessary for them to realize their respective mandates.

47. The report contains eight recommendations, of which four are addressed to the Executive Director (recommendations 1-3 and 5).

48. Regarding the first recommendation – relating to the management of host country agreements – UNFPA notes that this is not an organization-specific but a system-wide issue. Further, the matter has already been discussed at the Inter-Agency Security Management Network after issuance of the Brahimi Report, and was closed in 2011 after extensive consultations with resident coordinators and Member States, as being neither realistic nor acceptable. Re-opening the matter does not appear of value.

49. UNFPA fully supports the other three recommendations. UNFPA is a member of the road safety working group and has already implemented the approved road safety policy,

which has been endorsed by the Inter-Agency Security Management Network (recommendation 2). Completion of mandatory security training is included in the performance assessment system for all staff members at all levels. Compliance with the mandatory training requirement is monitored by the UNFPA Office of Security Coordination (recommendation 3). UNFPA will develop a platform to incorporate safety and security compliance indicators in the performance assessments at every management level (recommendation 5).

III. Status of UNFPA implementation of Joint Inspection Unit recommendations

A. Review of acceptance and implementation of Joint Inspection Unit recommendations by the United Nations Population Fund (UNFPA) (JIU/ML/2016/5)

50. In order to further enhance the effectiveness of its web-based recommendation follow-up system, the JIU performed a review of the acceptance and implementation of its recommendations by the participating organizations from 2006 to 2012. The first part of the review, which included an analysis of the rate of acceptance and implementation of recommendations based on statistics provided by the web-based tracking system and the process of consideration of JIU reports by organization, was completed in 2016.

51. The management letter corresponded to the first phase, the objectives of which were to review: (a) the acceptance and implementation of recommendations based on the statistics provided in the web-based system, to prompt action to clear recommendations outstanding for five years or more; and (b) the process of consideration of JIU reports by the Executive Board in order to identify shortcomings and delays.

52. The analysis ranked UNFPA among the highest performers, with an acceptance rate of recommendations above the average of all organizations, and a slightly lower than the average implementation rate of accepted recommendations. The review showed fluctuations year by year, as well as between recommendations addressed to the Executive Director (high acceptance rate; lower implementation rate) compared to those to legislative bodies (lower acceptance rate; high implementation rate). Further, at the time of the Unit review, 20 recommendations were outstanding for five years or more; nine were closed subsequently, during the year-end review.

53. UNFPA notes that the recommendations addressed to the legislative body are fewer in number than those to the executive head, and hence may not require the same implementation effort (which percentages do not reveal). UNFPA also encourages the JIU to improve the web-based tracking tool, in particular in expanding implementation choices – to provide a more nuanced and accurate picture of implementation rates, reflecting that some recommendations may be accepted but cannot be implemented for reasons beyond the organization's control (such as action necessary at inter-agency or political level) or its financial means, or that there may be no opportunity to implement a particular recommendation.

54. Further, UNFPA has included in the present report, the formatting improvements recommended in the management letter, as well as ensured the completeness of the data in the tracking system on consideration of JIU reports by the Executive Board.

B. Status of UNFPA implementation of Joint Inspection Unit recommendations issued during 2014-2015

55. In accordance with United Nations General Assembly resolution 60/258, requesting the JIU to enhance dialogue with participating organizations to strengthen the implementation of

its recommendations, the JIU requested information on the follow-up to recommendations issued in 2015 and 2014. Annexes 2 and 3 of the present report provide an update of the implementation status of these recommendations.

56. Of the 20 recommendations issued by the JIU in 2015 that are relevant to UNFPA, six recommendations (30 per cent) have not been accepted or are under consideration, while five (25 per cent) have been implemented.[9] Similarly, of the 41 recommendations concerning UNFPA issued in 2014, six recommendations (15 per cent) have not been accepted or are under consideration, while 25 recommendations (61 per cent) have been implemented. Further details are provided in the web-based JIU follow-up system accessible to Member States.

57. UNFPA is committed to following up on the implementation of the remaining recommendations relevant to UNFPA and to continuing its contribution to the various JIU initiatives in the future.

[9] Status as at end January 2017.

ANNEX 1
Summary of reports and management letter issued in 2016 of relevance to UNFPA

Report symbol	Report name	Total recommendations	Relevant to UNFPA	Of which recommendations directed to the Executive Board
JIU/REP/2016/2	Succession planning in United Nations system organizations	4	4	1
JIU/REP/2016/3	Comprehensive review of United Nations system support for small island developing States: Initial findings	4	-	-
JIU/REP/2016/4	Fraud prevention, detection and response in United Nations system organizations	16	15	1
JIU/REP/2016/5	Evaluation of the contribution of the United Nations development system to strengthening national capacities for statistical analysis and date collection to support the achievement of the MDGs and other internationally agreed development goals	5	5	4
JIU/REP/2016/6	Meta-evaluation and synthesis of United Nations Development Assistance framework evaluations, with a particular focus on poverty eradication	5	1	-
JIU/REP/2016/7	Comprehensive review of United Nations system support for small island developing States: Final findings	9	8	7
JIU/REP/2016/8	State of the internal audit function in the United Nations system	9	5	2
JIU/REP/2016/9	Safety and security in the United Nations system	8	4	-
JIU/ML/2016/5	Review of the acceptance and implementation of JIU recommendations by the United Nations Population Fund (UNFPA)[10]	-	-	-
Total for 2016		**60**	**42**	**15**

The following JIU report issued in 2016 is not relevant to UNFPA:

JIU/REP/2016/1 – Review of Management and Administration in the International Telecommunication Union (ITU)

[10] Management letters may contain recommendations. However, these are not tracked in the web-based tracking system of the Joint Inspection Unit.

ANNEX 2
Status of implementation of JIU recommendations issued in 2015, as at 31 January 2017

Report symbol	Report name	Total recommendations	Relevant to UNFPA	*Of which to governing bodies*	Implementation status of UNFPA relevant recommendations		
					Not accepted/ under consideration	Implemented	In progress/ to be started
JIU/REP/2015/1	Evaluation of mainstreaming of full and productive employment and decent work by the United Nations	7	1	-	-	-	1
JIU/REP/2015/2	Recommendations to the General Assembly of the United Nations for the determination of parameters of a comprehensive review of United Nations system support for small island developing States	6	-	-	-	-	-
JIU/REP/2015/3	Cooperation among the United Nations regional commissions	7	-	-	-	-	-
JIU/REP/2015/4	Public information and communications policies and practices in the United Nations system	6	6	*1*	-	4	2
JIU/REP/2015/5	Review of activities and resources devoted to address climate change in the United Nations system	6	5	*1*	-	-	5
JIU/REP/2015/6	Review of the organizational ombudsman services across the United Nations system	8	8	*1*	6	1	1
Total for 2015		**40**	**20**	*3*	**6**	**5**	**9**

The following JIU management letter, relevant to UNFPA, was received in 2015 (not publicly available); however, it did not contain any specific recommendations:
JIU/ML/2015/6 – Management letters on assessment of post-award contract management processes in 14 United Nations system organizations.

ANNEX 3
Status of implementation of JIU recommendations issued in 2014, as at 31 January 2017

Report symbol	Report name	Total recommendations	Relevant to UNFPA	*Of which to governing bodies*	Implementation status of UNFPA relevant recommendations		
					Not accepted/ under consideration	Implemented	In progress/ to be started
JIU/REP/2014/1	An analysis of the resource mobilization function within the United Nations system	5	4	2	-	4	-
JIU/REP/2014/4	Post-Rio+20 review of environment governance within the United Nations system	13	3	-	-	-	3
JIU/REP/2014/6	Analysis of the evaluation function in the United Nations system	9	7	2	-	5	2
JIU/REP/2014/8	Use of non-staff personnel and related contractual modalities in the United Nations system organizations	13	12	1	3	6	3
JIU/REP/2014/9	Contract management and administration in the United Nations system	12	11	2	-	9	2
JIU/NOTE/2014/1	Use of retirees and staff retained beyond the mandatory age of separation at the United Nations organizations	5	4	-	3	1	-
Total for 2014		**57**	**41**	*7*	**6**	**25**	**10**

The following JIU reports and notes issued in 2014 are not relevant to UNFPA:

JIU/REP/2014/2 - Review of Management and Administration in the World Intellectual Property Organization;

JIU/REP/2014/5 – Follow up inspection of the 2009 review of management and administration in the World Tourism Organization;

JIU/REP/2014/7 – Review of management and administration of the Office of the High Commissioner for Human Rights.

The following JIU study was completed and relevant to UNFPA; however, it did not contain any specific recommendations:

JIU/REP/2014/3 – Capital/refurbishment/construction projects across the United Nations system.

ANNEX 4
Review of relevant Joint Inspection Unit recommendations in 2016 for consideration by the Executive Board

Recommendations	Management comments
JIU/REP/2016/2 – Succession planning in the United Nations system organizations	
# 1: The legislative/governing bodies of the United Nations system organizations should exercise their oversight role and examine the causes for the lack of, and/or the delay in, the introduction of formal succession planning in their respective organizations, including the adequacy of current funding; and request the executive heads of these organizations to develop formal succession planning without any further delay, by the end of 2017.	Supported.
JIU/REP/2016/4 – Fraud prevention, detection and response in United Nations system organizations	
# 16: The legislative and governing bodies of the United Nations system organizations should: place on their respective agendas a permanent or standing item relating to fraud prevention, detection and response; review on an annual basis the consolidated and comprehensive management report presented by the executive head on anti-fraud policy and activities; and provide high-level guidance and oversight on fraud-related matters.	Supported.
JIU/REP/2016/5 – Evaluation of the contribution of the UN Development System to strengthening national capacities for statistical analysis and data collection to support the achievement of the MDGs and other internationally-agreed development goals	
# 1: The General Assembly, in the context of the 2017-2020 quadrennial comprehensive policy review, should make national statistical capacity development a major strategic priority of the United Nations system entities addressing production, dissemination and use of official statistics, and should call on all Member States to redirect the financial resources necessary to support all three areas.	Supported.
# 2: The General Assembly, in the context of the 2017-2020 quadrennial comprehensive policy review and the follow-up to the 2030 Agenda, should reaffirm that the principal goal of United Nations system support for national statistical capacity development is the use of national statistics for supporting the achievement of national development goals, including the Sustainable Development Goals, and in this regard, requests United Nations system organizations to make all efforts to support achievement of this goal.	Supported.

Recommendations	Management comments
# 4: The General Assembly should request the Secretary-General, in the context of the 2017-2020 quadrennial comprehensive policy review and the follow-up to the 2030 Agenda, to develop a strategic framework for the next five years regarding United Nations system integrated support for national statistical capacity development at the global, regional and country levels, setting out the roles and areas of work for entities at all three levels.	Supported.
# 5: The General Assembly, in the context of the 2017-2020 quadrennial comprehensive policy review, should ensure that national statistical capacity development is a strategic area of support for all United Nations country teams, recognizing that the role will vary significantly between countries as determined by the national authorities.	Supported.
JIU/REP/2016/7 – Comprehensive review of United Nations system support for small island developing states: final findings	
# 1: The governing bodies of the United Nations system and of the multilateral environment agreements, taking into account the findings of the comprehensive review, should give precise system-wide coordinated guidance to the organizations so as to ensure that the priorities of the SAMOA Pathway are mainstreamed in the strategic plans, within the realm of the organizations' mandates, and should encourage all stakeholders to make sufficient and predictable resources available for the effective and accelerated implementation of the Pathway.	Supported.
# 2: The governing bodies of the United Nations system should ensure that the strategic plans and work programmes of the system organizations include specific objectives related to the implementation of the SAMOA Pathway, within the realm of their respective mandates, to be measured against a set of established key performance indicators to monitor and report on the achievements.	Supported.
# 3: The governing bodies of the United Nations system, in adopting the strategic plans and work programmes of the organizations, should encourage the organizations to ensure that the activities in support of sustainable development of SIDS, within the realm of the mandate of each organization, are aligned with the regional and national priorities identified by the Governments of those States, regional organizations and SIDS development partners, so as to foster the implementation of the SAMOA Pathway as the blueprint of the 2030 Agenda for Sustainable Development of SIDS.	Supported.

Recommendations	Management comments
# 4: The governing bodies of the United Nations system should request the organizations to coordinate the planning and implementation of their capacity-building activities in close consultation with the small island developing States and all partners for development so as to strengthen effectiveness and efficiency in providing support to achieve the goals defined in the SAMOA Pathway, while avoiding saturation of the absorptive capacity of SIDS at the country level.	Supported.
# 6: The governing bodies of the United Nations system organizations should encourage the allocation of predictable multi-year funding to facilitate the effective implementation of programmatic activities in support of the small island developing States, based on needs assessments prepared by the United Nations system organizations in consultation with SIDS and their relevant partners.	Supported.
#7 - The legislative and governing bodies of the United Nations system organizations should ensure, based on the ongoing work of the United Nations Statistical Commission and, when relevant, on the work of the inter-agency forums and expert groups created to advise Member States, that the specificity of SIDS is explicitly considered in defining the elements of monitoring and accountability frameworks to report on progress made on the Sustainable Development Goals, so that processes and indicators are adapted to their needs and priorities identified at the national and regional levels.	Supported.
# 8: The governing bodies of the United Nations system organizations should coordinate their efforts in designing monitoring and accountability frameworks and tools adapted to the capacity of SIDS to monitor and report on the implementation of the SAMOA Pathway and other sustainable development-related global mandates, while avoiding the burden of multiple reporting frameworks.	Supported.
JIU/REP/2016/8 – State of the internal audit function in the United Nations system	
# 1: Governing bodies should direct executive heads of United Nations system organizations to ensure that their heads of internal audit/oversight and oversight committee Chairs attend the meetings of the governing bodies at least annually and are given the opportunity to respond to questions raised about their respective annual reports.	Supported and already implemented.

Recommendations	Management comments
# 9: Governing bodies of United Nations system organizations should ensure that the conditions for effective, independent, expert oversight committees are in place, and that the committees are, and continue to be, fully functional in line with previous Joint Inspection Unit (JIU) recommendations, as reinforced in this report.	Partially supported.

ANNEX 5

Programme of work of the Joint Inspection Unit for 2017 as related to UNFPA

Following system-wide consultations and suggestions, the Joint Inspection Unit identified eight new topics in its Programme of Work for 2017. Seven are of interest to UNFPA and will be actively supported.

Item	Title	Type
1.	Review of the United Nations - private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development	System-wide
2.	Improving efficiency and effectiveness in administrative support service delivery through inter-agency cooperation	System-wide
3.	Mainstreaming disaster risk reduction strategies in the work of United Nations system organizations	System-wide
4.	Review of mechanisms and policies addressing conflict of interest in the United Nations system	System-wide
5.	Review of the acceptance and implementation of the Joint Inspection Unit recommendations: lessons learned	System-wide
6.	Review of donor reporting requirements across the United Nations system	System-wide
7.	Review of whistle-blower policies and practices in United Nations system organizations	System-wide

Summaries of projects in the programme of work 2017

1. ***Review of the United Nations – private-sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development***

   The United Nations development system is exploring innovative means to develop partnerships with the business sector, as called for by the global mandates of the United Nations emanating from General Assembly resolutions. On the basis of the experience gained by United Nations organizations in partnering with the private sector for implementing the Millennium Development Goals, the review will examine ways and means to improve the contribution of the private sector to the implementation of the 2030 Agenda for Sustainable Development. The review will also examine the alignment of existing procedures for partnerships with the business sector to the principles established in the most recent Guidelines on a Principle-based Approach to the Cooperation between the United Nations and the Business Sector, issued in 2015, in response to General Assembly resolution 68/234, and the compliance with General Assembly resolution 70/224, entitled "Towards global partnerships: a principle-based approach to enhanced cooperation between the United Nations and all relevant partners".

2. ***Improving efficiency and effectiveness in administrative support service delivery through inter-agency cooperation***

   Consequent to the recently completed review of experiences of the United Nations system organizations in developing service centres to enable global approaches to administrative support service delivery, this review will examine the opportunities and scope for enhanced efficiency and effectiveness in the provision of such services through joint or collaborative inter-agency activity. It will examine how organizations are putting into effect the common principle related to service delivery to support the implementation of the 2030 Agenda for Sustainable Development. The review will examine the functioning and results of current organizational and coordination arrangements to pursue the harmonization, simplification and consolidation of administrative support services; the impediments to the consolidation or integration of service delivery functions and facilities; the opportunities offered by mutual recognition of each other's policies and procedures as a strategy for achieving efficiency; the follow-up to the study on the interoperability of enterprise resources planning systems, prepared at the request of the General Assembly in its resolution 67/226. It will also examine the challenges in ensuring that opportunities for efficiency and effectiveness gains are not limited to the operational activities for

development, which have been the focus of legislative direction, and that the mechanisms for implementation and accountability are sufficiently robust.

3. Mainstreaming disaster risk reduction strategies in the work of United Nations system organizations

The Chief Executive Board for Coordination (CEB) High-level Committee on Programmes endorsed in April 2016 the revised United Nations Plan of Action on Disaster Risk Reduction for Resilience: Towards a Risk-Informed and Integrated Approach to Sustainable Development (CEB/2016/4). The report will review existing strategies put in place to mainstream disaster risk reduction as part of the activities of the United Nations system organizations in compliance with the Plan of Action mentioned above. It will identify further synergies and measures to ensure that high-quality support to vulnerable countries is provided by the United Nations system entities, including disaster risk reduction as a strategic priority of their work.

4. Review of mechanisms and policies addressing conflict of interest in the United Nations system

Building on previous Joint Inspection Unit reports on ethics-related issues such as accountability, fraud and procurement, this report will review the policies of the United Nations system designed to manage and mitigate existing and potential conflicts of interest and to provide protection to whistle-blowers as well as examine the scope of such protected activities. The review will identify situations that pose potential conflicts of interest which may constitute reputational risks to the image of the organization as well as to the United Nations system in general. The review will also examine the role of ethics offices in the United Nations system. Finally, the review will identify good practices in preventing, mitigating and remedying situations of potential or evident conflict of interest at all levels and develop a set of benchmarks to be applied across the system.

5. Review of the acceptance and implementation of the Joint Inspection Unit recommendations: lessons learned

Building on the first phase of the review, which focused on the rates of acceptance and implementation and the process of consideration of the Unit's reports by its participating organizations, the second phase of the review is intended to draw lessons to enhance the follow-up process and identify good follow-up practices. The review will examine the different modalities of dissemination and consideration of reports, the issuance and the use of CEB comments, actions taken by legislative bodies on the recommendations contained in the reports, the relevance of recommendations, the need for better formulation of recommendations and for independent review and verification of their implementation, the role of the focal points and the degree of maturity of the follow-up function by organization, as well as the use of the web-based tracking system.

6. Review of donor reporting requirements across the United Nations system

Over the past two decades, specified (extra budgetary, non-core or voluntary) contributions by donors have become indispensable for most United Nations system organizations in pursuing their mandates. Demands by the donors for additional reporting on the use by the organizations of the funds made available by them have built-in resource implications, including, among other things, higher transaction costs. Many donors and some organizations acknowledge that the existing formats and systems of reporting are not adequate for the donors' expectations and requirements. The latter are derived largely from the concerns expressed by their own legislatures, parliamentary committees and audit authorities with regard to accountability. Donors need to justify their spending and demonstrate to their domestic constituencies that the funds provided have been used efficiently and effectively, for the intended purposes, and with the expected levels of accountability. In turn, they demand more accountability and transparency in the use of funds provided by them, and better and more frequent reporting by the United Nations system organizations on the results and impacts achieved with the funds provided.

This review will focus on the nature, extent and reasons for donor reporting by organizations of the United Nations system, the degree to which the donor requirements and expectations may be satisfied from existing reporting processes, and how any additional reporting requirements could be more effectively planned, coordinated and budgeted so as to achieve the objectives of all stakeholders.

7. Review of whistle-blower policies and practices in United Nations system organizations

No information is available on this review at the time of writing this report.